



COLORADO MEDICAL SOCIETY BOARD OF DIRECTORS

CMS Headquarters: BOD Minutes, November 8, 2019

MEMBERS PRESENT

President	David Markenson, MD MBA
President-elect	Sami Diab, MD
Immediate Past President	Deb Parsons, MD
Districts 3 & 4	Vacant
District 6	Brandi Ring, MD
District 7	Leto Quarles, MD
District 8	Mark Johnson, MD
District 9	Curtis Hagedorn, MD
District 10	Vacant
District 11	Cory Carroll, MD
District 12	Patrick Pevoto, MD
District 13	Brad Roberts, MD
District 14	Iris Burgard, MSC
CPMG Section	Kim Warner, MD

MEMBERS ABSENT (EXCUSED)

Districts 1 & 2	Hap Young, MD
District 5	Jason Kelly, MD
Districts 3 & 4	Lauren Loftis, MD
RFS	Evan Manning, MD

GUESTS PRESENT

Judy Ladd, Andrea Chase, Mike Ware, Sharon Jewett, Stephen Boucher, Dave Downs, MD, Lynn Parry, MD, Alethia Morgan, MD, Sara Lipnick, John Conklin, JD, Dolores Bennett,

CMS STAFF

Alfred Gilchrist, Susan Koontz, JD, Chet Seward, Dean Holzkamp, Kate Alfano, Amy Goodman, JD, Dianna Fetter, John Conklin, Krystle Medford, Gene Richer, Emily Bishop, Kate Alfano

I. Call to order

CMS President David Markenson, MD opened the meeting with an announcement and welcome to new CMS BOD member Lauren Loftis, MD, who is replacing Dr. Gina Martin. He further noted that Dr. Loftis will be representing Districts 3 and 4, which is SE and SW Colorado

CMS Immediate Past President, Debra J. Parsons, MD, asked for and was granted a point of personal privilege to present Dr. Markenson with two gifts as is the custom when a newly installed president chairs their first board of directors meeting.

A quorum was present

- Minutes and consent calendar

The minutes of the September 14 board of directors meeting and the consent calendar were unanimously approved.

- Conflict of Interest-Standards of Conduct: Education and Document Signature

Dr. Markenson started this agenda item by reminding the board of directors that, based on best practice standards, an educational presentation on the board's conflict of interest statement and standards of conduct, will annually be presented at the November meeting to heighten awareness and the importance of the documents board members are asked to sign.

CMS General Counsel Susan Koontz and outside counsel John Conklin were introduced and made the presentation. Following the presentation and a question and answer session, Dr. Markenson asked board members to sign the required documents and to return them to Dianna or to Alfred.

- Fiscal Year 2019-2020 Operational Plan:
 1. Section 3: Organizational Excellence
 - a. Board Best Practices: Implementation Updates and Recommendations

Dr. Markenson started the agenda item, Board Best Practices, with the following remarks:

- A lot has been happening on board best practices since our last meeting
- The board made referrals to three board committees and all three of these committees have met since the September meeting

- Let's start with the Governance Reform Task Force.

II. Governance Reform Task Force (Update-Action)

Dr. Markenson started the Governance Reform Task Force discussion by making the following comments

1. The GRTF met for one hour on Tuesday morning, October 29
2. The board made numerous referrals to this Task Force and there is still much to do
3. The GRTF discussed three board best practices referrals on the 29th and have recommendations on all three of them
4. Because the GRTF met 4 days after the board packet was delivered, the recommendations that the board will be voting on are different than what is in your agenda packet. He furthermore stated that what is in the board's packet is the October 29 agenda of the GRTF, and this document includes the options presented by our Executive Staff; that they are not the final recommendations of the Task Force; finally that by providing the board with the October 29 Task Force agenda, board members were able to review in advance what the Task Force was working on
5. Today, you vote on the product from the Task Force's October 29 meeting

The board acknowledged understanding of how the discussion would proceed.

Action item 1: The following was approved by the board in July and referred to the GRTF for discussion report back.

The Board (through a Bylaws revision) should create a **Governance Committee** charged with helping the Board to achieve the highest level of governance effectiveness through:

- (a) Preparation and/or review of proposed policy/Bylaws revisions,
- (b) Arrangement of an effective orientation protocol for new Directors; and
- (c) Recommendations for Board consideration regarding additional Board governance training opportunities.

The GRTF recommended the following bylaws amendment to enact the governance reform proposal outlined above:

“Governance Committee. This committee shall be charged with helping the Board to achieve the highest level of governance effectiveness through:

- Review and advise the Board on proposed policy/bylaws revisions and oversee a process for periodic review of the bylaws
- Arrangement of an effective orientation protocol for new Directors and recommendations for Board consideration regarding additional Board governance training opportunities.
- Creation and maintenance of the Governance Policies and procedures subject to approval by the Board
The chair and members of this committee shall be appointed by the President and ratified by the Board of Directors.”

There was lengthy discussion on this recommendation. It primarily centered on whether the Governance Committee should assume the role of the bylaws function currently conducted by the Counsel on Ethical and Judicial Affairs. Following discussion, the board of directors passed two motions resulting in the approval of the following bylaws amendment:

“Governance Committee. This committee shall be charged with helping the Board to achieve the highest level of governance effectiveness through:

- Arrangement of an effective orientation protocol for new Directors and recommendations for Board consideration regarding additional Board governance training opportunities.
- Creation and maintenance of the Governance Policies and procedures subject to approval by the Board
- Review and advise the board on proposed policy revisions and oversee a process for periodic review of these policies

The chair and members of this committee shall be appointed by the President and ratified by the Board of Directors.”

Action item 2: The following was approved by the board in July, referred to the GRTF for discussion and a report back.

The Board (through a Bylaws revision) should maintain the existence of an **Executive Committee**, but change its composition to only include the President, Past-President and President-elect

The GRTF recommended that the bylaws be amended as follows:

“CMS Bylaws, Section III, Board of Directors, Chapter 8, Executive Committee.

There shall be an Executive Committee of the Board of Directors composed of the President, President-elect, and Immediate Past President. The chief executive officer shall serve ex-officio without vote on the Executive Committee. The Executive Committee shall act for the Board in emergency situations and between meetings of the Board and shall report all its actions in full at the next meeting of the Board, for review and appropriate action by the Board.”

Following a lengthy discussion, the board of directors approved the bylaws be amended as follows:

“CMS Bylaws, Section III, Board of Directors, Chapter 8, Executive Committee.

There shall be an Executive Committee of the Board of Directors composed of the President, President-elect, Immediate Past President and two board members at large. The chief executive officer shall serve ex officio without vote on the Executive Committee. The Executive Committee shall act for the Board in emergency situations and shall report all its actions in full at the next meeting of the Board for review and appropriate action by the Board.”

Item 3: Dr. Markenson noted that the board approved the following in July --- “Affirm board’s primary fidelity to CMS membership and continue to recognize patients in the “values” portion of the strategic plan.” He further noted that the GRTF recommends that such a policy be created as part of the Governance policy manual and not in the bylaws. The board accepted this without a vote.

III. Finance Committee: Governance Reform Referrals (Action)

To kick off the governance reform proposals referred to the Finance Committee, Dr. Markenson introduced Finance Committee Chair, Patrick Pevoto, MD. Dr. Pevoto reported that the Finance Committee met to discuss best practice referrals from the board of directors on October 15 and to present “Updated Audit and Oversight Policies” for board review and approval

Action item 1: Financial Audit and Oversight Policies

The Board unanimously passed a new and updated set “Financial Audit and Oversight Policies” as recommended by the Finance Committee. The following two provisions of the Financial Audit and Oversight Policies were extracted for separate votes and were also unanimously approved by the Board:

- 1. Change in target approval date of the operational plan and the budget by the CMS Board:** In order for the CEO, Finance Committee and the Board to have enough time to properly budget staff and resources to accomplish each year’s operational plan, the Board voted to have the final operational plan be approved each year at the July Board meeting and used to generate a proposed budget to be approved each year at the Sept. Board meeting.
- 2. Change to policies governing CMS Board spending of money from CMS reserve funds:** Although it hopes never to have to use reserve funds, the Board unanimously voted to allow use of the funds when necessary by a 2/3rds vote of the Board.

IV. CEO Evaluation Committee: Governance Reform Referrals Best Practices: (Update)

Dr. Markenson made the following comments to start this agenda item: The CEO Evaluation Committee met after the board packet went out on Tuesday, November 5 to discuss their referrals. The Evaluation Committee’s agenda was included in the board’s packet so everyone could see what the CEO Evaluation Committee is working on. The recommendations were posted Thursday on the Board’s Base Camp.

- 1. Evaluate CEO Performance as Synonymous with Organizational Achievement and Compliance with Explicit Management Expectations and Parameters:** The Board should establish governing policies on-going performance criteria that constitute successful CEO job performance. These criteria should include accomplishment of desired outcomes stated in CMS’ annual operational plan and compliance with explicit management expectations and parameters not to cause or allow unlawful, unethical or imprudent practices, activities, decisions or organizational circumstance.

CEO Evaluation Committee Decision: The underlined sentence above was discussed in two parts as follows and the following is offered for consideration:

- a) Evaluating CEO performance on the operational plan (**no recommendation**). There was recognition that the board already (has consistently in the past) evaluates CEO performance based on achievements in the board's operational plan. In this regard, the Committee believes the board made a good decision in the last fiscal year to clarify objectives in the operational plan by making them more measurable. Objectives that are more measurable are consistent with the Charney report recommendation to establish "on-going performance criteria." Accordingly, there is no further recommendation relating to evaluating CEO performance on the operational plan.

The board of directors accepted the Evaluation Committee's report without a vote.

- b) Compliance with explicit management expectations and parameters not to cause or allow unlawful, unethical or imprudent practices, activities, decisions or organizational circumstance (**more information requested**). There was a discussion that the board's contract with the CEO already specifies boilerplate language around unlawful and imprudent practices. The Committee will review these provisions of the new CEO contract and other industry standard boilerplate language before making a recommendation to the board of directors.

The board accepted this section of the report for information without a vote.

2. **Establish a Governing Policy for Emergency Management Succession:** The Board should ensure that the CEO will not operate without management succession planning processes to facilitate smooth and competent operations during key personnel transitions.

CEO Evaluation Committee Decision: (Decision pending) Alfred Gilchrist was directed to work with the new CEO to develop a management succession planning process that will be reported back to the CEO Evaluation Committee for consideration. The Committee requested that state medical societies comparable to the size of CMS be consulted and that elements of HR be incorporated that recognize increased responsibilities in times of personnel changes.

The board accepted this pending decision without a vote.

3. **CEO Evaluation Process:** The Board should ensure that the full Board, which collectively shares the fiduciary duty of oversight, participates in the evaluation process.

CEO Evaluation Committee Decision: Reaffirm the current practice of the full board participating in the evaluating process.

The board accepted the reaffirmation without a vote.

4. **Transition the Current CEO Evaluation Committee to an Executive Compensation Committee:** Given heightened due diligence standards, it is advisable for boards to have a subgroup acquire and present comparative data to ensure informed Board decisions regarding CEO compensation and benefits, and setting standards for those of other senior managers, including variable/incentive compensation structures.

CEO Evaluation Committee Decision; (Approval, as amended): The Committee recognizes that CMS has in the past as well as very recently acquired and presented comparative data to ensure informed Board decisions regarding CEO compensation and benefits. The Committee believes that setting standards for those of other senior managers, including variable/incentive compensation structures should reside with the CEO and not an Executive Compensation Committee. In terms of specific recommendations, the Committee also recommends the following for approval:

- a) **CEO Composition Committee:** A Chairperson (immediate Past President), the President, President-elect and 2 additional Board members, determined by the Board to be “independent” of management and appointed annually by the Board each year during the month of November. The CEO or his/her staff designee shall serve as a resource in a non-voting capacity.
- b) **Committee Authority:** Reasonable expenditures approved by the board for compensation surveys, outside counsel, or other services deemed appropriate and management time as needed.
- c) **Committee Deliverables:**
 1. **Deliverable #1:** Recommendations for Board consideration regarding adjustments to the CEO’s base and variable compensation (and benefits). To be presented to the Board in a timely manner to allow final action to be taken by November each year.
 2. **Deliverable #2:** Accompanying the recommendations on an as needed basis, data as to comparable compensation for similarly qualified persons in comparable positions.
 3. **Deliverable #3:** Contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding CEO compensation.
 4. **Deliverable #4:** Annual review of CEO adherence to Board-adopted Compensation and Benefits policies.

The board accepted this recommendation by a unanimous vote.

V. Fiscal Year 2018-2019 Final Report (Information)

Dr. Markenson introduced Dr. Debra Parsons to make the year-end report with the following comments:

Dr. Parsons is going to provide the board with an informational report that highlights the major accomplishments from our operational plan during her Presidency. We decided to have this presentation because board's need to celebrate from time-to-time, particularly a board representing physicians during a time of great disruption and burnout.

Dr. Parsons presented a power point presentation on CMS accomplishments. This accompanied a written report provided to the board.

VI. Bylaws Amendments (Action)

Dr. Markenson began the discussion by explaining how physician leadership asked the executive team to conduct a review of Basecamp voting procedures and the bylaws to be sure that the board is in legal compliance and that our bylaws are reflecting 21st Century practices. Dean Holzkamp was asked to present the results of that review for Board review and vote.

Board Action: Following Mr. Holzkamp's presentation, the Board unanimously approved the following changes to modernize the bylaws concerning board action without a meeting to allow the use of Basecamp for votes as required between meetings and to validate all prior votes taken by Basecamp:

- **CHAPTER IV – QUORUM/MEETINGS OF THE BOARD OF DIRECTORS**

- Section 3. Action Without Meeting

- Any action of the Board may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the Board at which all directors were present. The written action is effective when signed by the required number of directors unless a different effective time is provided in the written action. When written action is being taken under this section, all directors shall be notified immediately of its text and effective date. Action taken pursuant to this section may be transmitted or received by mail or by facsimile, e-mail, or other form of communication permitted by the Act and must be in a form sufficient to identify (i) the Director or committee member; (ii) the Director's or committee member's vote, abstention, demand, or revocation; and (iii) the proposed action to which such vote, abstention, demand or revocation relates. For purpose of this section, email or facsimile communication to the Corporation is not effective until received.

- The CMS Board of Directors of CMS may utilize Basecamp to take action without a meeting; that all votes taken on Basecamp shall count as electronic signatures under the Colorado Uniform Electronic Signatures Act, C.R.S. 24-71.3-101 to – 121 and Chapter 4, Section 3 of the CMS Bylaws; and that all prior actions taken by the Board of Directors on behalf of the Colorado Medical Society on Basecamp by majority vote of a quorum are hereby confirmed, approved, adopted, and ratified for all purposes.

VII. Finance Committee Report: Summary and statements: August-September 2019 (Action)

Patrick Pevoto, MD, Finance Committee Chair gave a summary of the preliminary fiscal year-end financial performance and informed the board that final numbers will be reported at the March or May board meeting after the results of the annual outside financial audit are complete. Initial numbers show that through September 2019, CMS is reporting a negative gross variance of \$238 against its combined operating and non-operating budget. This includes the use of a onetime \$150,000 investment from CMS operating capital made by the Board for this fiscal year as outlined in prior financial summaries and the initial budget approved for this year.

Board Action: After the report, the CMS Board unanimously approved the August-September 2019 financial report.

VIII. Appointment of Councils and Committees (Action)

Board Action: Nominations for proposed by CMS President David Markenson, MD, for appointments to CMS Councils, Committees and work groups were unanimously adopted.

IX. Public Policy: The 2020 Legislative Landscape: What's Real (Information)

Dr. Markenson made the following comments to begin this agenda item.

- Colorado is without question, one of the top health care policy hot spots among the 50 states.
- Our Governor is dedicated to saving money on health care
- There was bipartisan alignment on a range of health care last session
- We have every reason to believe that the 2020 legislative session will be highly robust
- Our new Operational Plan recognizes this reality
- Susan Koontz, our Sr. Director of Government Relations, will make remarks and answer questions

Susan Koontz outlined the major health care policy initiatives anticipated in the 2020 legislative session. The overriding theme was health care costs will drive the debates, with many substantive, exam room relevant issues to be debated.

a. Public Option (Information)

Susan Koontz provide an update on the public option in her remarks during the previous agenda item.

b. Employed Physicians (Information)

Dr. Markenson spoke to the operational plan project, Physician Empowerment and notified the board to be expecting more discussion on this topic.

X. Communications: Central Line: Commercial Determinants of Health (Action)

Dr. Markenson made the following comments to begin the discussion on the Central Line proposal, Commercial Determinants of Health

- This proposal was originally submitted by Mesa County Medical Society
- The board voted in September to refer it to a work group with a report back.
- The work group met and submitted a revised version
- The board gave a thumbs up to the revised version and I submitted the new proposal on Central Line on behalf of the board of directors
- I want to thank the members of the work group for a great job. They are:
- Drs. Lynn Parry; Mike Pramenko, Mark Johnson and Patrick Pevoto.

He proceeded with the standard process for voting on the proposal and there were no comments or questions about the (a) problem/issue statement, (b) description of the policy proposal, (c) possible impacts, (d) the supporting documents, (e) CMS staff (fiduciary) review, or (f) all member votes and comments and there was no new information from staff.

Board Action: A motion was made seconded and unanimously passed to approve the proposal as CMS policy.

XI. In-person member meetings: The 2019 Annual Meeting and Proposal for 2020 Meeting (Discussion and Action)

Dr. Markenson made the following comments to begin this agenda item. Our task today is to review and discuss survey results and lessons learned from the 2019 Annual Meeting/Gala and a budget-neutral cost proposal to host a one-day, 2020 Annual Meeting/Gala. At the end of this discussion, we will vote on a proposal for the 2020 Annual Meeting and Gala.

Dr. Markenson called on COO Dean Holzkamp to make a presentation on lessons learned from the 2019 Annual Meeting and a proposal for a budget-neutral 2020 Annual Meeting. Highlights of the presentation included:

1. **Net cost of 2019 meeting \$10,557.33:** Unexpected events associated with the venue brought the meeting in over budget.
2. **Attendance dropped but was still fairly robust:** Total registrants for the annual meeting meeting dropped from 397 in 2018 to 268 in 2019. Gala registrants dropped from 289 in 2018 to 195 in 2019.
3. **Smaller drop in attendance from physicians:** Attendance of physician members and their guests at the gala only dropped from 168 in 2018 to 148 in 2019 so the \$70 fee did not seem to be a huge deterrent.

4. **Significant loss in student attendance with a caveat:** Attendance of student members and their guests at the gala dropped significantly from 132 to 54. However, student leadership expects more participation in future years. Student leadership also said that the \$30 fee was not a barrier since they have routinely been charging each student attendee \$50 to attend CMS Annual Meetings in the mountains.
5. **Need to collect more registration fees:** All things being equal, we may not have collected enough in registration fees from paying guests due to underestimating the number of guests who attended that did not pay for the gala (50-year docs and their guests, science fair winners and their guests, exhibitors and sponsors who paid within their exhibitor fees that wound up reducing the net value of their sponsorship etc.)
6. **Other ways to save money:** We might be able to save money on banquet expenses by adjusting what meal is served and changing venues and/or caterers. We might be able to save money by reducing gifts paid for and given away by CMS and might reconsider whether to continue dancing or seek a special sponsor specifically to pay for the DJ. (Dancing likely to be more popular with increased student participation).
7. **Generally positive survey results:** Overall attendees liked the meeting and the overwhelming majority would attend if the event was hosted again in 2020. There was some disappointment with the acoustics at the venue and the overlap with COPIC educational presentations and the CMS Board meeting that precluded members from attending both.

Mr. Holzkamp presented a staff option for a one-day 2020 Annual Meeting/Gala to be hosted at both the CMS offices and the Lowry Wings Over the Rockies Air & Space Museum that would adjust for the cost lessons learned from 2019 and be budget-neutral assuming CMS can secure the same \$36,425 in sponsorship revenue it collected this year.

Board Action: The Board discussed their options and unanimously approved a motion to direct staff to sign a contract with the Lowry Wings Over the Rockies Air & Space Museum to host a 2020 Annual Meeting/Gala with the goal of being budget neutral. The Board also directed staff to work with the medical students to develop a student track for the meeting to help improve medical student attendance and to explore simulcast options to see if the inauguration could be broadcast live to a companion event on the Western Slope.

XII. Executive office updates/other business/adjournment

Dr. Markenson made comments about potential stakeholder outreach consistent with his physician for the operational plan project, Physician Empowerment. There was no other business and the meeting was adjourned before the Board went into executive session.



COLORADO MEDICAL SOCIETY BOARD OF DIRECTORS
BOD Minutes, October 21, 2019 (Special Call on the 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
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MEMBERS ABSENT

Districts 3 & 4	Vacant
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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 DMCC, 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. The crosswalk we have provided shows a lot of green – one might argue that direct engagement pays off. That doesn't mean we have to continue that strategy, though.
 - h. One question to ask is, are you comfortable saying no?

- i. 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. What are other physicians/specialties saying?
 - i. ER physicians are afraid of the rate setting slippery slope, but they are moving to support the report. ACP and CPS have some concerns, but overall, they support the CMS Work Group on Health Care Costs & Quality's recommendation to support the report.
 - b. My position is consistent with the out-of-network bill—I'm concerned about limiting physicians' ability to negotiate. I don't think anyone really believes that physicians are going to be spared. I don't see how forcing carriers to provide capped plans is competition; it's basically single payer. These plans are going to undercut costs. We need to be opposed to rate setting as a mechanism to control costs. This just asks for more bureaucracy; this is not market competition.
 - c. For the time being, 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.
 - d. 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.
 - e. How many of our members are employed by hospitals? Hospitals are going to leverage physicians and cut their pay. We don't want to lose any more members, so we have to consider this.
 - i. No more than 40% of CMS members are employed by hospitals/systems.
 - ii. Dr. Markenson added: We're hearing that hospitals will lean on physicians to cut costs. CHA is a fair-weather friend; when we've asked them to stand behind us, they have not done that for us.
 - f. Where we're at now is about as good a compromise as we're going to get. We need to do some soul searching as the house of medicine. There are 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?
 - g. We need to think about potential recruitment challenges when getting physicians to come to Colorado.

- h. I agree about the slippery slope concern, but I appreciate that this is very political and when they've given us what we want we basically need to take it in order to stay at the table. This is going to go through with or without us, so how do we want to position ourselves? I think we might have to begrudgingly support this in order to stay at the table.
- i. This approach doesn't control costs themselves or address quality/value. Cost shifting will be an issue. I would begrudgingly support this plan, but it won't increase coverage or decrease costs.
- j. We should participate and respect the work group's recommendation. I would vote to support.
- k. This would just be an option in the individual market for now, so it would affect part of that 7%. The proposal is reasonably in line with what we asked for. I think we have to focus on the politics of the issue. The administration wants revolution, not evolution—there will be change. We have an activist political landscape. This plan is definitely negative for hospitals, but we have other things on our agenda with the legislature that would be harmed if we oppose this, especially since it's going to move forward. We need to make sure we present this well to specialty societies and employed physicians. The optics with some of our members will be bad. We need to lend our support, but not loudly, and explain our reasoning.

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 recognizing that legitimate concerns need to be addressed.
- 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 quality in value 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 what's most important.
- c. The motion was approved with 9 for, 1 against, and 1 abstention. Emphasis will be given to focusing on access, value, and quality and 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.



**CMS Board of Directors: January 10, 2020
CONSENT CALENDAR: Items for Approval**

- Item 1: Minutes from the September 5, 2019 CPEA Meeting
- Item 2: Minutes from 11-12-19 Colorado Medical Political Action Committee
- Item 3: Minutes from 11-25-19 Work Group on Health Care Cost and Quality
- Item 4: Minutes from 12-11-19 Council on Legislation

Item 1: September 5, 2019 – Committee on Professional Education and Accreditation Meeting

Participants: Joel Dickerman, DO, Lynn Parry, MD; Sharisse Arnold-Rehring, MD; Kristin Wallick, MD; Gene Richer (CMS staff) **Absent:** Patrick Pevoto, MD **On Leave:** Brenda Bucklin, MD

September 5, 2019 Minutes

Minutes approved as revised

Accreditation decisions

Colorado Permanente Medical Group Education

reaccreditation interview 10/23/19, Dr. Dickerman, Gene Richer

Awarded accreditation with commendation (Sharisse Arnold-Rehring, MD was recused from decision)

Wyoming Medical Center - progress report for C11 and C12 accepted (email)

Survey Schedule Update

Peer Assistance Services, Inc. initial accreditation interview, 12-6-19, Dr. Patrick Pevoto, Gene Richer

University of Colorado Health Northern Colorado, reaccreditation interview, 4-7-20, Joel Dickerman, DO; Lynn Parry, MD; Patrick Pevoto, MD; Gene Richer

Parkview Medical Center, accreditation expiration 11-30-20

Committee Member Update

Brenda Bucklin, MD leave of absence - will return on February 1, 2020

2020 meeting dates

Meeting day/time - 2nd Tuesday

Yes - Dr. Dickerman, Dr. Parry

No - Dr. Arnold Rehring

Thursday - Dr. Wallick

Will hold further discussion to confirm best day

Meeting frequency - quarterly

February, May, August, November

Educational Opportunities

May 6 - 8, 2020 ACCME 2020 Meeting at the Hilton Chicago. Registration is open.

Next CPEA Meeting – TBD

Item 2: November 12, 2019, COMPAC Meeting

Members Attending

Iris Burgard, Sami Diab, Mark Johnson, Taj Kattapuram, Jan Kief, Edward Norman, Lynn Parry, Deb Parsons, Christopher Unrein, Patricia Weber, William Wright,

Others Attending

Emily Bishop, Stephen Boucher, Dan Jablan, Jerry Johnson, Susan Koontz

Dr. Unrein called the meeting to order and took roll. The first item for discussion was the Candidate Handbook. After some discussion, the Board voted to add a question on the key issue of chronic pain patients and ease of access to necessary, responsibly-prescribed controlled substances.

2020 Election Update

Dr. Unrein informed the Board that Congresswoman DeGette's opponent had dropped out of the primary. COMPAC physicians had a very successful meeting with the Congresswoman and had discussed many of the top federal health care priorities with her at the beginning of October.

Dr. Unrein then informed the Board of upcoming candidate interviews and asked them to regularly check Basecamp for action items.

Jerry Johnson gave an update to the Board on the political landscape of the statewide races as well as the Representatives that were running for Senate seats.

Friendly Incumbent Procedure

Dr. Unrein then opened the floor to a Board discussion on how to handle friendly incumbents who have moved chambers. The discussion began with a review of current practice and the friendly incumbent policy – leading to a commitment from CMS staff and professional lobbyists to better communicate the state of relationships with legislators to the COMPAC Board.

After robust discussion, the Board voted to maintain friendly incumbent relationships with legislators moving chambers except when there is a) a faltering relationship with CMS and/or physicians, or b) when they are running for the new seat against another friendly incumbent. In both cases interviews of all candidates will be conducted.

Hearing no further business, the meeting was then adjourned.

Item 3: November 25, 2019, Work Group on Health Care Costs & Quality

Present: Dave Downs, MD; David Markenson, MD; Deb Parsons, MD; Joe Forrester, MD; Alan Kimura, MD; Elizabeth Lowdermilk, MD; Michael Moore, MD; Claire Murphy, MD; Mike Pramenko, MD; Chet Seward; Amy Goodman, JD; Susan Koontz, JD

Guest: Bob Smith, CBGH

- I. Welcome
 - a. Minutes from 11/4/19 — motion to accept minutes was approved unanimously
- II. Discussion with Bob Smith, Colorado Business Group on Health
 - a. Purchasing cooperative update
 - b. Regional data use
 - c. Benefit design

Colorado Business Group on Health (CBGH) Executive Director Bob Smith returned to discuss what he sees as the alignment between the business community and physicians and the changes in his organization to become an employer purchasing alliance. The move comes as a result of the passage of SB 19-004, which authorized such alliances. CBGH will continue as a multi-stakeholder membership group focused on education, but a new corporation will be established on January 1 to create the Colorado Purchasing Alliance (CPA). CPA will aggregate public and private health purchasers with the goal of engaging willing providers in immediate and on-going direct purchasing agreements to improve the quality and affordability of health care for all Coloradans — including those covered by self-funded employers, fully-insured employers, and individuals who purchase care on the exchange. CBGH is specifically seeking support by and collaboration with CMS in the development and rollout of the Colorado Purchasing Alliance. Bob presented four questions that he would like to discuss with CMS:

1. Given the impact of chronic disease in the commercial population, how do we build around ***prevention and advanced primary care***?
2. How can employers implement ***evidence-based benefit designs*** that encourage accountability on the part of the employee/patient?
3. What's the right way for employers to ***compensate physicians***...
 - Primary Care? (CPC+? DPC? Other?)
 - Specialists?
4. How do we address utilization and quality issues ***at the local level*** (e.g., where care is delivered)?
 - A uniform, statewide approach (such as the RAE's)?
 - A community by community approach (such as in Northern Colorado)?

The work group began discussing these four questions and expressed a desire to collaborate with CBGH more extensively and in a more structured manner.

III. Update on Final Report for CO's Public Option

a. Potential suggestions for protecting hospital-employed physicians

Dr. Downs provided an overview of the state's progress on developing a public option proposal. Amy Goodman explained the two key differences between the state's Draft Report and Final Report: the carrier participation requirement and the hospital reimbursement formula (see materials on Basecamp). The work group discussed ways in which the yet-to-be-developed hospital reimbursement formula could include safeguards for providers and patient access. **A motion was made, seconded, and unanimously approved to support the Final Report for Colorado's Public Option and recommend to the Board that CMS support the Final Report.** Work group members emphasized that they would like to continue working with the legislature and other stakeholders to assure that there are safeguards for physicians providing hospital service to ensure high quality, stable hospital-based care for patients.

IV. Update on Total Cost of Care initiative from CHA

Chet Seward provided an overview of what CMS has heard about CHA's Total Cost of Care initiative, which CHA is putting forth as an alternative to the public option. CHA is describing Total Cost of Care as "a performance management process that involves all stakeholders working toward shared goals" (see CHA's Total Cost of Care materials on Basecamp). It would affect all providers, all payers, and all Coloradans. Six other states have implemented a version of Total Cost of Care: MA, MD, DE, RI, VT, and OR. CHA has approached CMS about having collaborative discussions about this initiative. Work group members commented that MA had rate setting before Total Cost of Care and that hospitals should have to take a cut before they can grow. **A motion was made, seconded, and unanimously approved to recommend to the Board that CMS engage with CHA and other stakeholders to further explore Total Cost of Care.** Work group members emphasized that they are in favor of collaboration with all stakeholders to get health care costs down to affordable levels.

V. Timely credentialing bill

Amy Goodman provided an overview of the timely credentialing bill that CMS staff have started working on following discussions with the Colorado Medical Group Management Association (CMGMA). The primary goals of the potential bill would be to establish deadlines for credentialing and require health plans to reimburse applicants during the credentialing process (see draft fact sheet and bill specifications on Basecamp). Work group members commented about the need for this issue to be addressed and suggested that applicants be treated as participating providers not just for payment and prior authorization purposes, but also for the purposes of prescribing and referring. **A motion was made, seconded, and unanimously approved to support the concept of this bill and recommend to the Board and COL that CMS move forward with the bill.**

VI. Adjourn

A Doodle poll will be sent out to identify the next meeting date.

Item 4: December 11, 2019, Council On Legislation Meeting

Members Attending

Deborah Archer, Eric Balaban, Cory Carroll, Sami Diab, David Downs, Clara Epstein, Kristin Freestone, Stuart Gottesfeld, Rachel Graham, Enno Heuscher, Nathaniel Hibbs, Shannon Jantz, George Kalousek, Taj Kattapuram, Brent Keeler, Alan Kimura, Rachelle Klammer, Steve Lowenstein, Matt Manry, Fred Miller, Lee Morgan, Stacy Parra, Lynn Parry, Deb Parsons, Richard Penaloza, Ian Reynolds, Emily Schneider, Steve Sherick, Donna Sullivan, Lisa Swanson, Michaela Thurston, Kathleen Traylor, Christopher Unrein, Gary VanderArk, Usha Varma, Bruce Waring, Kim Warner, Anna Weyand

Participants/Staff Attending

Ruth Aponte, Ryan Biehle, Emily Bishop, Stephen Boucher, Dick Brown, Jessica Chandrasekhar, Amy Goodman, Dean Holzkamp, Dan Jablan, Jerry Johnson, Susan Koontz, Judy Margolis, Krystle Medford, Jennifer Souders, Eric Speer, Beverly Razon, Chet Seward

Guests

Kim Bimestefer, John Conklin, Joshua Ewing, Dianne Primavera

Members Excused

Mark Johnson, Todd Mydler

Members Absent

Gary Ghiselli, Jeremy Huff, Terry Lakin, Rachel Landin, David Markenson, Jason Mayer, Carla Murphy, Tamaan Osbourne-Roberts, Allison Sandberg, Michael Volz

Roll Call/Welcome

Dr. Warner called the meeting to order and called role. She reminded those on the phone to mute themselves when not speaking and noted the new microphones for those in the room. She then welcomed the new COL members: Dr. Eric Balaban, President-elect Dr. Sami Diab, medical student Rachel Graham, Dr. Rachelle Klammer, Dr. Matt Manry, and medical student Michaela Thurston.

Conflict of Interest/Standards of Conduct

Dr. Warner then handed the floor over to John Conklin for training on the new conflict of interest agreement. John Conklin covered the changes of the agreement and how to determine if a conflict exists. He then guided Council through several examples of scenarios that may arise.

Dr. Warner asked participants and members to sign and return copies to Emily Bishop by the January 29th meeting.

State Health Insurance Option

Dr. Warner then welcomed HCPF Executive Director Kim Bimestefer and Lt. Governor Dianne Primavera to discuss the public option. E.D Bimestefer began by thanking physicians and the Colorado Medical Society for their support of the public option proposal and their participation in the process. She identified physicians as the most important part of the equation when it came to the success of the option so far and moving forward. E.D. Bimestefer then asked for continued collaboration moving forward in the process.

Lt. Governor Primavera also thanked physicians via phone for their support and discussed some statistics regarding health care in Colorado. She identified the public option as part of a larger reform to health insurance, the overall goal of which was to reduce cost. The Lt. Governor emphasized that all reforms would be conducted with an eye toward protecting the independence of providers.

E.D. Bimestefer then presented to Council on the final public option proposal, released in November, identifying hospitals as the largest sources of waste. She then discussed several other initiatives of the administration, including improving access to accurate prescribing data, a physician recommended initiative. Throughout her presentation, E.D. Bimestefer stressed that physicians would not be rate set and that the administration sees them as a partner in reducing cost without jeopardizing quality.

Council raised several questions regarding whether the predicted 9-18% reduction in premiums would be enough to quiet critics in the individual market. E.D. Bimestefer answered that the public option would work with other initiatives such as the reinsurance program to make significant cost reductions and that the predicted decrease would only be a start. Council also raised concerns regarding physician participation and referral pressures. After several more questions, E.D. Bimestefer thanked the Council for their time and Dr. Warner thanked her and Lt. Governor Primavera for participating in the meeting.

CHA Presentation

Dr. Warner then invited Joshua Ewing of CHA to present on Total Cost of Care and simplified health billing, two legislative initiatives CHA is planning for the 2020 session. Mr. Ewing began the presentation with simplified health billing, which would require health insurance companies to collect all copays, deductibles, and coinsurance. Consumers would no longer receive bills from multiple providers but would instead receive one consolidated bill from the insurer.

Then Mr. Ewing discussed CHA's Total Cost of Care, emphasizing that this would be a collaborative approach to reducing cost that would involve all health care stakeholders agreeing on a reduction target and then taking the necessary steps to reach that goal. Council raised several questions, including enforcement and feasibility. Mr. Ewing's answers referenced states such as Massachusetts and Oregon which are currently experimenting with a similar system.

Physician Credentialing

Dr. Warner then handed the floor to Amy Goodman, JD, who presented to Council on the physician credentialing bill. The goal of this bill would be to streamline the credentialing process and address long wait periods for providers joining or changing practices. Council raised a question about push back from health insurance companies, to which Susan Koontz, JD explained the team was meeting with CHP several days after the Council meeting to notify them of the legislation. Council voted to approve CMS running the bill (unanimous).

Workers Compensation

Ms. Goodman then informed Council that the WCPIC Committee had voted to recommend COL also run a bill addressing mandatory arbitration clauses in worker's compensation provider contracts. Council voted to run the bill (unanimous)

Immunizations

Dr. Warner handed the floor to Ruth Aponte and Dr. Stacy Parra to speak on the immunization legislation for 2020. Ms. Aponte and Dr. Parra gave Council context and then addressed the key points of the bill draft – including equal effort to claim an exception and use of the vaccination registry. Council raised several points regarding the dangers of vaccine hesitancy and provider responsibility to better communicate with vaccine hesitant parents. Council then voted to conceptually support the draft pending the introduced bill language (unanimous).

Other Business

Dr. Warner reminded Council to check Basecamp regularly during session for action items and informational posts. She then directed Council to the meeting schedule in their packet and informed the group of the scheduled 2nd Annual Medical Student Day at the Capitol.

Dr. Warner asked for any other business, hearing none the meeting was adjourned.

Colorado Business Group on Health: Medicine/Business Partnership (For Action)
January 10, 2020

Strategic question for the board:

Shall the CMS Work Group on Health Care Costs & Quality be directed to collaborate with the Colorado Business Group on Health (CBGH) and support its establishment of the Colorado Purchasing Alliance (CPA)?

Background:

During the past three years, the CMS board's operational plans have focused on the rising cost of health care. With last year's explicit recognition that the tipping point on costs had occurred, the board chose to embrace a proactive rather than defensive organizational posture. That plan included the following strategies:

- Foster a medicine-business coalition to drive cost containment and quality improvement efforts across the state.
- Actively participate in the Denver Metro Chamber of Commerce (DMCC) cost of care initiative, including partnering with the Colorado Business Group on Health, by:
 - Helping to develop broad-based, market-driven reforms;
 - Analyzing comparative cost and quality data to guide improvement and alternate payment initiatives.

Building on last year's work, the 2019-2020 CMS operational plan calls for the development of "a collaboration plan with business associations and groups for BOD approval at the January meeting to enable collaboration around reduction in their overall health care expenditures that can be implemented while assuring that both quality of care and access for their employees is maintained or improved."

The CMS Work Group on Health Care Costs & Quality has been meeting with CBGH on this work since the spring of 2019. CBGH Executive Director Bob Smith joined the work group on November 25 to explain how CBGH revised its bylaws and governance structure so as to become an employer purchasing alliance under CRS 10-16-1001 (SB 19-004) effective January 1, 2020. The express purpose of this new law "is to facilitate group purchasing by employers as a means of improving their purchasing power and engaging directly with physicians and hospitals in performance improvement."

Consistent with this intent, CBGH's new Colorado Purchasing Alliance (CPA) will aggregate public and private health purchasers with the goal of engaging willing providers in immediate and ongoing improvement in the quality and affordability of health care for all Coloradans – including those covered by self-funded employers, fully-insured employers, and individuals who purchase care on the exchange. According to CBGH, the market-based approach of the purchasing alliance represents a dramatic shift from health care's legacy approach of third-party contracting to an approach more aligned with other market-based sectors. CBGH's primary function will be to represent individuals and businesses statewide in direct negotiations with health care providers on price and performance. While CBGH will, through the Center for Improving Value in

Health Care (CIVHC), create regional and employer-specific comparative reporting on hospital and physician performance as well as offer educational programming, it will neither provide nor broker health insurance. Neither will it do benefits consulting, administer claims, or perform, case management or other functions associated with health plan management. Beginning in 2021, products will be offered across all buyer segments and will be administered and marketed collectively. All coverage will include pre-existing conditions, be comprehensive, and ACA-compliant. Self-insured group benefits will be similar to what is currently offered. CBGH will partner with willing insurers/TPAs to administer these products in the most efficient way while maintaining flexibility for CBGH in improving its ability to provide good, cost-effective coverage statewide. Governor Polis has stated publicly that the State will be the first customer of CBGH's Colorado Purchasing Alliance.

Collaboration plan:

The following details a proposed collaboration plan with CBGFH that builds off of work to date and is based on the premise put forth by CBGH that physicians and employers have the most aligned interests in addressing health care challenges employers face. The plan would be directed by the CMS cost work group, start immediately and proceed through calendar year 2020. It seeks to connect CMS physicians with employers through CBGH to help inform the development of the CPA. As specifically requested by CBGH, the following questions will be used to center this work:

1. Given the impact of chronic disease in the commercial population, how do we build around prevention and advanced primary care?
2. How can employers implement evidence-based benefit designs that encourage accountability on the part of the employee/patient?
3. What's the right way for employers to *compensate physicians*?
 - Primary Care? (CPC+? DPC? Other?)
 - Specialists?
4. How do we address utilization and quality issues at the local level (e.g., where care is delivered)?
 - A uniform, statewide approach?
 - A community by community approach?

The work group will:

- Actively collaborate with CBGH and other stakeholders to help inform the build-out of the CPA;
- As appropriate, seek feedback from other CMS councils and committees, component and specialty societies, and other physician-driven organizations to address these key questions in an inclusive and transparent manner in order to generate broad consensus;
- Make recommendations to the CMS board of directors on findings and potential next steps; and
- Make regular updates to the board on progress.