



Work Session Minutes Public Meeting January 15th, 2025

In Attendance:

- | | | |
|--|--|--|
| ☒ Hammad Qadir, MD | ☐ Dacey Brooke, MD | ☒ Wallace Webster, MD |
| ☒ Paavani Atluri, MD | ☒ Charles Toledo, MD | ☒ Jeffrey Lang |
| ☐ Mike Rowley | ☒ Molly Johnson | ☒ Gregory Brigham, PhD |
| ☒ Brian Moore | ☒ Linet Samson | ☒ David Rupkalvis |
| ☒ Jason Bell, MD | ☒ Matt Vorderstrasse | |
| ☒ Andrea Zamora | ☐ | |

Guest: Bevin Ankrom(OHA); Katie Gonzalez, (public guest), Rebecca Jennings (public guest)

Staff Attendees:

Ben Messner, CEO; Chris Hogan, CFO; Anna Warner, Executive Program Director; Mike Hale, Chief Compliance Officer, Samyukta Vendrathi, COO; Ben Sachdeva, Senior Financial Analyst; Erica Tesdahl-Hubbard, CITO/IT; Evelyn Bryant, Executive Administrative Coordinator

Work Session called to order at 7:01 A.M. by Dr. Wallace Webster for the purpose of discussion, but no action upon the Committee updates, including discussion of confidential and proprietary information constituting trade secrets under ORS 192.345.

Quorum established 7:01 am.

-There were no public comments from the audience. We moved to the meeting minutes.

Meeting Minutes:

- Dr. Wallace Webster presented the meeting minutes from November 20th, 2024, Work Session.

- Meeting Minutes reviewed and Brian Moore requests that on page 6 a section be amended since he abstained from the vote it shouldn't state unanimous approval. Evelyn Bryant, Exec. Coordinator states she will fix that.
- With that fix in mind they go ahead to approve the meeting minutes.

- ❖ **MOTION:** Motion made by Greg Brigham, PhD, to approve the November 20th, 2024, meeting minutes as amended and seconded by Jeff Lang.
- ❖ **VOTE:** Unanimous approval. (End 7:03 A.M.)

Financials:

- Ben S. begins by presenting the Advanced Health Financial summary for November 2024 Vs. November 2023.

Western Oregon Advanced Health, LLC. STATEMENTS OF OPERATIONS For the Months Ended November 30, 2024					
	2024 Actual	2023 Actual	Variance Actual	2024 Budget	Variance Budget
	November '24	November '23		November '24	
REVENUES:					
Medical	148,815,557	147,977,230	838,327	143,550,231	5,265,326
Dental Health	8,183,871	8,627,562	(443,690)	7,661,488	522,383
NEMT	4,353,933	4,473,266	(119,333)	4,139,406	214,527
Investment Income	353,865	(67,646)	421,511	-	353,865
Total	166,745,678	167,668,972	(923,294)	155,351,125	11,394,553
COGS:					
Medical	144,175,954	144,506,467	(330,513)	138,982,752	5,193,202
Dental Health	7,928,535	8,433,498	(504,963)	7,406,192	522,343
NEMT	3,446,448	3,315,041	131,407	3,132,603	313,845
Health Related Spending	868,278	837,400	30,878	1,155,833	(287,555)
Other	5,033,581	5,394,787	(361,205)	-	5,033,581
Total	161,452,796	162,487,193	(1,034,397)	150,677,380	10,775,416
Total revenues	5,292,882	5,181,780	111,103	4,673,745	619,137
ADMINISTRATIVE EXPENSES:					
Salary and related expenses	1,643,383	1,638,224	5,159	1,715,609	72,226
Legal, accounting and professional	310,950	339,506	(28,556)	299,037	(11,913)
Employee benefits	351,350	292,599	58,751	302,648	(48,701)
Dues, membership, contributions	343,205	334,306	8,899	355,260	12,055
Office Supplies and Postage	41	165	(123)	200	159
Meals, travel and seminars	46,196	56,719	(10,523)	57,747	11,551
Other expenses	522,385	32,811	489,574	500,967	(21,418)
Total administrative expenses	3,217,509	2,694,329	523,180	3,231,468	13,958
Net Expenses	\$ 2,075,373	2,487,451	(412,078)	1,442,277	633,095
Summary	2024	2023	Budget	Variance to PY	Variance to Budget
Revenue	\$ 166,745,678	\$ 167,668,972	\$ 155,351,125	\$ (923,294)	\$ 11,394,553
COGS	\$ 161,452,796	\$ 162,487,193	\$ 150,677,380	\$ (1,034,397)	\$ 10,775,416
Admin Expenses	\$ 3,217,509	\$ 2,694,329	\$ 3,231,468	\$ 523,180	\$ (13,958)
Income Tax & Investment Expense	\$ (12,531)	\$ (11,487)	\$ (20,000)	\$ (1,044)	\$ 7,469
Net Income	\$ 2,062,842	\$ 2,475,964	\$ 1,422,277	\$ (413,122)	\$ 640,564

Western Oregon Advanced Health, LLC.
November 30, 2024 and November 30, 2023

	November '24	November '23
ASSETS		
Cash and cash equivalents	\$ 9,456,297	\$ 4,826,144
Restricted Reserve	7,503,228	7,425,398
Cash Suspense	6,901	70,933
Investments	4,525,098	3,756,988
Physical Health Receivable	1,724,399	1,635,627
Quality Pool Receivable	5,136,307	6,794,450
Accrued Interest Receivable	129,000	92,121
Accounts Receivable, net (Related party)	24,731	4,623
Other assets	27,094	91,398
Total Assets	\$ 28,932,895	\$ 24,697,683
LIABILITIES AND EQUITY		
Liabilities		
Accounts Payable	114,988	251,383
DOCS Management Admin Payable	88,697	6,416
Dental Health Payable	2,162	6,833
HRA Payable	-	-
MCO Payable	798,770	799,971
Mental Health Payable	6,332	7,366
Other Accrued Expenses	2,163,523	1,574,433
Payroll and Related Liabilities	\$ 180,103	\$ 174,411
Physical Health Payable	356,317	251,578
QDP Payable	2,646,749	1,635
Quality Pool	5,718,109	7,167,153
Capital Share Obligation	470,000	587,000
VBP Payable	245,516	258,723
Dividends Payable	-	-
Total Liabilities	12,791,266	11,086,902

Equity		
Southwest Oregon IPA	9,072,926	6,422,940
North Bend Medical Center	-	1,070,490
Coos County	1,296,132	1,070,490
Advantage Dental	777,679	642,294
Bay Area Hospital	648,066	535,245
Coquille Valley Hospital	518,453	428,196
Bay Clinic	259,226	214,098
ADAPT	194,420	160,573
South Coast Orthopedic Associates	194,420	160,573
Dividends Declared	-	-
Prior Period Adjustment	-	-
Retained earnings	2,072,737	2,476,373
Capital Gain (loss)	1,107,569	429,508
Total stockholders' equity	16,141,628	13,610,781
TOTAL LIABILITIES AND EQUITY	\$ 28,932,895	\$ 24,697,683

Key Financial Indicators

	YTD 2024 CCO Total	YTD 2023 CCO Total
Current Ratio	2.26	2.23
Days Cash On Hand	308	221
Debt to Net Assets Ratio	79.2%	81.5%
Return on Net Assets	35.0%	53.4%
Adjusted Member Service Ratio	100.1%	100.9%
Administrative Cost Ratio	2.0%	1.7%
Operating Margin percent	1.2%	1.5%

- ❖ **MOTION:** Motion made Matthew Vorderstrasse to approve Financials for November 2024 Vs. November 2023 and seconded by Dr. Charles Toledo
- ❖ **VOTE:** Unanimous approval. (End 7:12 A.M.)

Board Elections

- Mike Hale, CCO takes this time to update the Board on the open spots available on the Board and the election process by going over the document below:



**BOARD ACTION ITEM:
January 15, 2025**

Board Election of Officers and Directors

Background:

Board Composition

Western Oregon Advanced Health, LLC's (Advanced Health's) Third Restated Operating Agreement (OA), effective April 1, 2019, requires, in part, that Advanced Health's Board of Directors (Board) include nine (9) Designated Directors and eight (8) Elected Directors, unless changed by a vote of the Members. *OA, 6.2(b)*. Designated Directors serve until they resign or are replaced by their appointing Members. *OH, 6.2(c)*. Designated Directors shall elect by vote at a meeting of the Board each Elected Director. *OA, 6.2(d)*. This may be done by a quorum of Designated Directors at a meeting of the Board, or by unanimous written consent of all Designated Directors. Elected Directors serve for three (3) year terms and there is no limit on the consecutive number of terms an Elected Director may serve. Each Elected Director whose term has expired shall serve until his or her replacement is elected. *OH, 6.2(e)*. Designated Directors must be associated with a Unit Holder (Equity Member), Elected Directors may be but are not required to be associated with a Unity Holder. *OA, 6.2(g)*.

In addition, Advanced Health's Board must include at least two (2) members from the community at large and at least two (2) members of the Community Advisory Committee (CAC), with at least one being a current CAC Consumer Representative. *OAR 410-141-3715*.

Currently, there are no Designated Director vacancies, and two (2) Elected Director vacancies, one (1) being a community at large vacancy. In addition, there are two (2) Elected Directors whose terms will expire on January 19, 2025: Brian Moore, and Jason Bell, MD. (Refer to attached *Advanced Health Board Roster, January 15, 2025*).

The current nominees for the four (4) vacant Elected Director positions are:

Jason Bell, MD
Brian Moore
Caryn Mickelson, Executive Director, Coquille Indian Tribe
Lance Nelson, CEO, Waterfall Clinic
Tracy Lang, North Bend School District (Community-at-Large)

- Mike asks if the Board would like to nominate and vote on those four positions now or would they prefer to do that absent a meeting or postpone those elections until the next meeting?
- Dr. Webster asks if they only have one community at large nominee?
- Mike replies that both Karen Mickelson and Tracy Lang could both be community at large.
- Dr. Webster seeks clarification on how to go about voting if they want to do that now.

- Mike responds stating that if they want to vote now at this meeting, someone would need to nominate 4/5 of the folks and then they would be voted on. It could also be done individually and each Designated Director could pick the 4/5 list of names and then the board would vote on that. If it is done by ballot after the meeting then that would be considered action without a meeting and then the board would need to make a motion to vote on those elected directors by action without a meeting.
- Ben M. asks Mike what he suggests doing?
- Mike answers that if the board is comfortable now naming 4/5 of the individuals to serve the next three year terms, that could be done now or during the meeting and if they aren't comfortable doing that then they can send out the ballots after the meeting.
- Greg Brigham, seeks clarification that if they vote offline by a ballot it has to be unanimous vote? Is it just 100% participation or does it have to be a 100% agreement?
- Mike answers that it would have to be 100% agreement.
- Ben M. inquires about if the vote could be called out here today but could be sent out electronically during the meeting.
- Mike answers that that will work as long as the board members vote before the meeting ends so that the results can be announced before the meeting.
- Dr. Webster clarifies that they can do that and vote for 4/5.
- Mike answers correct, with one being a community at large and that would be Tracy Lang or Karen Nicholson.
- Ben M. states so they can send that out now and at the end of the meeting announce the results.
- Evelyn Bryant, states that she will work on sending those electronic ballots out to those that will be voting (Designated Directors).
- Dr. Webster clarifies that they will find that ballot in their email and need to complete it before the meeting.
- Mike answers correct. The determination will be based on the majority votes of the quorum that is present. With those being sent out, Mike moves on to discuss the officer elections:

Officer Elections

Advanced Health's Third Restated Operating Agreement provides, in part, that the officers of the Board of Directors shall consist of a Chair, Vice-Chair, Secretary, and Treasurer. Each officer serves a one-year term, and the officers are elected at the annual meeting by the full board. There are no restrictions on officers serving successive one-year terms. *OA, 6.14.*

The Chair and Vice-Chair must be Designated Directors, and the Chair must be a Designated Director appointed by the Member with the majority ownership in Advanced Health, which is Southwest Oregon IPA. The Secretary/Treasurer may be a Designated Director or Elected Director. (Refer to attached *Advanced Health Board Roster, January 15, 2025*).



The current officers of the Board are:

Chair	Wallace Webster, MD
Vice-Chair	Charles Toledo, MD
Sec./Treas.	Jason Bell, MD

Action Needed:

1. **Elected Directors:** In accordance with Advanced Health's Operating Agreement, the Designated Directors are required to elect four (4) Elected Directors to the Board for the Board to have eight (8) Elected Directors. This can be done during the Board meeting by nominating and voting on four (4) of the five (5) nominees, each individually, or by action without a meeting, which will require a motion and vote by the Designated Directors. If the Elected Directors are elected during the Board meeting, they must be approved by a majority of the Designated Directors present. If elected by action without a meeting, the nominees must be unanimously approved by all the Designated Directors.
2. **Officers:** Officers may be elected during the Board meeting by nominating and voting on each position now or the elections may occur at the next Board meeting once all the vacancies are filled. If the officers are elected at this Board meeting, they must be nominated individually and voted on by the full Board. If the officers are elected at the next Board meeting, we will need a motion and majority vote of the quorum present to do so. Officers would be elected at any Board meeting by a majority of the quorum present, or by action without a meeting by a supermajority (75%) of the Board members. The Chair and Vice-Chair must be a Designated Director appointed by SWOPIA, the Secretary/Treasurer may be a Designated or Elected Director.

- Dr. Webster asks if the Chair or Vice Chair have to come from the majority partner?
- Mike answers, yes that's correct, SWOIPA.
- Dr. Qadir states that he would like to work to keep officers the same.
- They proceed to make a motion below:

❖ **MOTION:** Motion made by Dr. Qadir to keep the current board officers the same, Wallace Webster, MD as Chair; Charles Toledo, MD as Vice Chair; Jason Bell, MD as Secretary/Treasurer and seconded by Gregory Brigham, PhD.

❖ **VOTE:** Unanimous approval. (End 7:30 A.M.)

- Mike concludes stating that that takes care of the officer for the next year and congratulates them. He wraps up by stating that by the end of the board meeting they should also be able to announce the names of the four elected directors.

2025 Work Plan

- Anna takes the floor to present on the annual work plan below:



Advanced Health Work Plan 2024 – January 2025 Status Update

Key			
Complete		In Progress	Not Complete
#	Topic	Category	Status
1	Evaluate performance of 2023 SHARE Initiative awardees.	Social Determinants of Health and Equity	Complete
2	Complete and submit to OHA a compliant SHARE spending assessment and plan	Social Determinants of Health and Equity	Complete and waiting on OHA feedback
3	Revise SHARE Initiative application and award process to incorporate new or revised priorities from the 2024 Community Health Improvement Plan (CHIP)	Social Determinants of Health and Equity	2024 CHP delayed to Dec – moved to 2025
4	Prepare analysis of 2023 Health-Related Services and SHARE Initiative spending. (Review by priority population, community partners, service area, REALD+SOGI demographic data, CHIP priorities)	Health-Related Services, Community Health Improvement Plan, Health Equity	Complete
5	Work with community partners to develop an updated Community Health Improvement Plan for Coos and Curry Counties	Community Engagement, Social Determinants of Health and Equity	Completed December 2024 (later than planned)
6	Prepare annual CAC Demographic Report	Community Engagement, Community Health Improvement Plan	Complete and approved by OHA
7	Prepare compliant Transformation and Quality Strategy annual report, and annual Quality Assessment and Performance Improvement assessment and work plan	Quality	Complete and approved by OHA
8	Successfully complete External Quality Review with minimal findings, and close open findings from previous year - Availability of Services - Assurance of Adequate Capacity and Services - Provider Selection - Subcontractual Relationships and Delegation - Practice Guidelines	Quality, Compliance, Operations	Complete – 7 new findings 10 unresolved past findings 33 resolved past findings
9	Successfully implement two statewide Performance Improvement Projects with semi-annual reports to OHA	Quality	Complete and approved by OHA
10	Attain 13 of 15 of the 2024 Quality Incentive Program metrics (Reporting complete in Q1 2025)	Quality, Clinical	TBD – Reporting in Progress
11	Complete annual reviews of privileged providers and select provider organizations following OHA-approved audit plan	Compliance	Complete
12	Continue encounter data validation studies that sample provider encounter data and review against chart documentation for accuracy	Compliance	Complete



13	Revise network time and distance monitoring process to incorporate requirements in the revised OAR for network access standards	Clinical, Quality, Compliance	Complete
14	Develop and submit Delivery System Network report, including capacity analysis, and plan.	Clinical, Quality, Compliance	Complete – waiting on OHA feedback
15	Submit accurate Delivery System Network provider network data files	Operations	Complete – moved to bi-annual report
16	Complete a progress assessment for 2023 Health Equity Plan and develop 2024 Health Equity Plan	Health Equity	Complete – approved by OHA
17	Implement the Provider Network Training plan and other goals and objectives described in Health Equity Plan	Health Equity	Complete
18	Maintain collaborative relationship with South Coast Equity Coalition, participate in community meetings and workgroups	Health Equity	Complete
19	Revise Advanced Health's Care Coordination program to meet new Care Coordination Oregon Administrative Rules. Includes Intensive Care Coordination, Primary Care Case Management, Member Services, dental case management, and collaboration with community-based organizations and social services.	Clinical	In progress – full implementation in Q1 2025
20	Improve access, utilization, and reporting of language interpreter services (measured through annual organization self-assessment and quarterly utilization reports)	Health Equity, Quality	Complete
21	Monitor Bridge Plan population and prepare for transition to Basic Health Plan population	Operations, Clinical	Complete
22	Support increased community utilization of Unite Us platform for Community Information Exchange (CIE) to support local community partners and provider network with closed loop referral system for social health needs	IT, Quality, Community Engagement, Clinical	Continuing – supports HRSN benefit implementation
23	Implement coverage of Health-Related Social Needs (HRSN) benefits, including screening, referral, authorization, service delivery, care planning, payment, reporting, and encounter data	Administration, Contracting, Community Engagement	Complete
24	Implement HRSN Community Capacity Building Fund and begin to award funds to qualified, participating community-based organizations	Administration, Governance, Finance, Operations	Complete – Round 2 in 2025

- With no questions from the board, they move on to look at the 2025 Work Plan:



Advanced Health Work Plan 2025

#	Topic	Category	Date
1	Evaluate performance of 2024 SHARE Initiative awardees.	Social Determinants of Health and Equity	September 2025
2	Complete and submit to OHA a compliant SHARE spending assessment and plan	Social Determinants of Health and Equity	November 2025
3	Revise SHARE Initiative application and award process to incorporate new or revised priorities from the 2024 Community Health Improvement Plan (CHIP)	Social Determinants of Health and Equity	August 2025
4	Prepare analysis of 2024 Health-Related Services and SHARE Initiative spending. (Review by priority population, community partners, service area, REALD+SOGI demographic data, CHIP priorities)	Health-Related Services, Community Health Improvement Plan, Health Equity	April 2025
5	Work with community partners and Community Advisory Council to prepare a Community Health Improvement Plan Progress Report for Coos and Curry Counties	Community Engagement, Social Determinants of Health and Equity	June 2025
6	Prepare annual CAC Demographic Report	Community Engagement, Community Health Improvement Plan	June 2025
7	Prepare compliant Transformation and Quality Strategy annual report, and annual Quality Assessment and Performance Improvement assessment and work plan	Quality	March 2025
8	Successfully complete External Quality Review with minimal findings, and close open findings from previous year - Enrollment and Disenrollment - Confidentiality - Quality Assurance and Performance Improvement - Health Information Systems	Quality, Compliance, Operations	TBD Q3
9	Successfully implement two statewide Performance Improvement Projects with semi-annual reports to OHA	Quality	July 2025, January 2026
10	Attain 11 of 13 of the 2025 Quality Incentive Program metrics. (Reporting complete in Q1 2026)	Quality, Clinical	December 2025
11	Complete annual reviews of privileged providers and select provider organizations following OHA-approved audit plan	Compliance	December 2025
12	Complete annual audit schedule planned for Fraud, Waste, and Abuse Prevention program.	Compliance	December 2025
13	Develop and submit Delivery System Network exception requests, including capacity analysis, and plan.	Clinical, Quality, Compliance	July 2025
14	Produce accurate Delivery System Network provider network data files	Operations	Quarterly
15	Complete a progress assessment for 2024 Health Equity Plan and develop 2025 Health Equity Plan	Health Equity	June 2024
16	Implement the Provider Network Training plan and other goals and objectives described in Health Equity Plan	Health Equity	June 2025



17	Maintain collaborative relationship with South Coast Equity Coalition, participate in community meetings and workgroups	Health Equity	December 2025
18	Implement revisions to Advanced Health's Care Coordination program to meet revised Care Coordination Oregon Administrative Rules.	Care Coordination, Clinical	April 2025
19	Improve access, utilization, and reporting of language interpreter services (measured through annual organization self-assessment and quarterly utilization reports)	Health Equity, Quality	December 2025
20	Support increased community utilization of Unite Us platform for Community Information Exchange (CIE) to support local community partners and provider network with closed loop referral system for social health needs	IT, Quality, Community Engagement, Clinical	December 2025
21	Implement coverage of Health-Related Social Needs (HRSN) benefits, including screening, referral, authorization, service delivery, care planning, payment, reporting, and encounter data	Administration, Contracting, Community Engagement	January 2025 – nutrition benefit
22	Implement HRSN Community Capacity Building Fund - Round 2 - award funds to qualified, participating community-based organizations	Administration, Governance, Finance, Operations	September 2025
23	Complete NCQA Health Equity Accreditation	Health Equity	December 2025
24	Monitor development of CCO Procurement process. Prepare Advanced Health organization and staff for procurement application in 2026.	Administration	December 2025

- After going through the timeline, Anna adds that contract awards will be announced April of 2026 with contracts going out for signature in October of 2026. So they already have the next year and a half planned for that.
- With no questions from the board, Anna gives the floor to Chris.

2025 Budget

- Chris begins by stating that regarding the procurement process and Ben's comments on the balance sheet, the work that the board did in 2023 to bolster its balance sheet by holding onto a portion of those quality funds and the providers who made that sacrifice really put them in a solid position going into the procurement process. Their equity has grown and that puts them on solid footing.
- Their capital is around 70% higher than it needs to be in terms of risk based capital. So they are 70% higher than the value that would trigger any kind of compliance action and they are about 40% higher than even the aspirational target set by OHA, and they can expect that to increase further as they

generate more net income, between now and the selection process. So really positive news there and he states that he believes that that also puts Advanced Health likely in a position, in addition to issue a tax distribution, but that will be something they discuss when they review the year end financials.

- Chris continues by going over the document below:

CCO	COA	CY25 Caseload Forecast'	CY24 Rate Excluding MCO Tax	CY25 Rate Excluding MCO Tax	IHCP Dental	IHCP PH	IHCP BH
Advanced Health, LLC	PCR	22,252	\$ 519.92	\$ 556.37	\$ 10.48	\$ 19.95	\$ 17.14
Advanced Health, LLC	PWO	2,273	\$ 484.39	\$ 525.52	\$ 12.44	\$ 11.65	\$ 12.88
Advanced Health, LLC	CHILD 00-01	5,077	\$ 963.49	\$ 1,054.56	\$ 0.52	\$ 16.36	\$ -
Advanced Health, LLC	CHILD 01-05	22,242	\$ 197.74	\$ 238.56	\$ 6.26	\$ 9.96	\$ 0.30
Advanced Health, LLC	CHILD 06-18	60,372	\$ 277.09	\$ 312.73	\$ 11.61	\$ 8.79	\$ 7.33
Advanced Health, LLC	DUAL-MEDS	37,493	\$ 320.23	\$ 310.74	\$ 6.76	\$ 13.50	\$ 10.83
Advanced Health, LLC	ABAD & OAA	18,292	\$ 1,562.99	\$ 1,639.58	\$ 9.01	\$ 30.15	\$ 25.60
Advanced Health, LLC	FOSTER	4,276	\$ 656.56	\$ 828.10	\$ 14.68	\$ 18.81	\$ 21.50
Advanced Health, LLC	ACA 19-34	45,262	\$ 478.29	\$ 450.92	\$ 8.96	\$ 12.93	\$ 16.11
Advanced Health, LLC	ACA 35-44	20,871	\$ 478.29	\$ 611.91	\$ 8.96	\$ 12.93	\$ 16.11
Advanced Health, LLC	ACA 45-54	20,920	\$ 791.80	\$ 796.30	\$ 9.91	\$ 21.43	\$ 18.00
Advanced Health, LLC	ACA 55-64	23,729	\$ 908.63	\$ 882.97	\$ 8.74	\$ 23.59	\$ 10.87
Advanced Health, LLC	BBM 19-34	345	\$ 440.86	\$ 450.92	\$ 8.96	\$ 12.93	\$ 16.11
Advanced Health, LLC	BBM 35-44	174	\$ 440.86	\$ 611.91	\$ 8.96	\$ 12.93	\$ 16.11
Advanced Health, LLC	BBM 45-54	129	\$ 685.66	\$ 796.30	\$ 9.91	\$ 21.43	\$ 18.00
Advanced Health, LLC	BBM 55-64	108	\$ 796.88	\$ 882.97	\$ 8.74	\$ 23.59	\$ 10.87
Advanced Health, LLC	YSHCN	900	\$ -	\$ 568.42	\$ 8.96	\$ 12.93	\$ 16.11
Advanced Health, LLC	BCCP	126	\$ 1,562.99	\$ 1,639.58	\$ -	\$ 13.92	\$ -
			\$ 535.21	\$ 562.66	\$ 9.16	\$ 15.21	\$ 12.47

YOY Premium Growth: \$ 27.45 Growth in IHCP: \$ 36.84

- He states that in 2025 they are seeing favorable rates on the surface but they'll talk about some OHA policy changes that affect CCO's and their risk bearing entities. When CCO's started they had a global budget, CCO's were paid a fixed amount per member per month and CCO's and their risk bearing entities could use those funds to best serve the population as the CCO's sees fit.
- What they've seen in the last several years is an incremental move from that system. Increasing number of earmarks and add-ons and risk corridors and those are a really big feature of 2025 rates.
- At the highest level, CCO rates are increasing. Advanced Health's rates are increasing by 5.1% in 2025. That's very positive, but also a feature of those rates are this increasing number of add-ons and he states that he's included one category of these add-ons and these are related to Indian healthcare providers. This is an earmark for tribal clinics. One can see that the overall increase in these add-on is \$37.00 per member per month compared to our year over year premium change of around \$27.00.
- Although rates are increasing the unallocated portion of that pie is shrinking and so they can expect this to affect the network in various ways. This is going to support the expansion of tribal clinics, but reduce the amount of funds available to providers who are not tribal clinics.

- This doesn't affect Advanced Health directly. Increasing rates directly improve the financial performance of Advanced Health. Advanced Health is affected only in so far as this affects its risk bearing providers.
- Another change they are seeing is a shift in adjustment factors and risk corridors. They expect to see some of these non-OHP lines of business to grow in 2025. That includes the population of undocumented individuals who are covered in the Oregon Health Plan, and the Basic Health Program population. These are individuals who are not eligible for typical OHP benefits but still have incomes below 200% of the poverty level. These two lines of businesses exists under a full benefit risk corridor. What that means is a surplus generated via these populations are returned to the state of Oregon. So, in effect the financial upside for Advanced Health risk bearing providers are truncated. So this is something they will be looking out for in the procurement process, such as how is OHA changing the CCO contract to limit profitability.
- With no questions about the add-ons or rates from the board, Chris moves on to talk about the budget summary below:

Advanced Health CY25 Budget

CY2024

Revenue

Premiums: Net of Pass-Throughs and Tax

\$182,201,941

Expenses

Health-Related Services, SDOH

\$1,190,000

HRSN

\$602,741

Payments to Privileged Providers

Bay Cities (NEMT)

\$3,688,186

Dental Services

\$11,772,860

SWOIPA (Physical, Behavioral Services)

\$155,205,358

Total Payments to Privileged Providers

\$170,666,404

DOCS Admin

\$5,466,058

CCO Admin

Payroll

\$2,583,594

Dues and Subscriptions

\$308,580

Consultants and Outside Svcs

\$105,400

Professional Fees

\$150,000

CAC/Health Equity Admin

\$25,671

Insurance Expenses

\$53,000

Training and Education

\$13,220

Travel Expenses

\$32,440

Meals and Entertainment

\$4,684

Office Supplies

\$50

Business License, Permits, and Fees

\$100

Total CCO Admin

\$3,276,739

Total Expenses

\$181,201,941

Net Income (Loss)

\$1,000,000

- Chris explains that the budget summary reflects enhanced rates and that at the end of the day Advanced Health is in a position to hold on to a smaller fee due to the larger pool of premiums.
- Much of this budget is similar to 2024; Premiums are up and they expect \$182 million net of pass throughs.
- Enrollment is not a large variable in the 2025 budget like it has been for all the budgets prior to this one and after the pandemic.
- They expect a small decline in enrollment for the first three months of 2025, but then they expect that to quickly level out and remain fairly stable. They will see movement between lines of business as a subset of OHP members transition to the basic health program. Overall, this is reflected in increased expected revenues.
- On the HRS(Health-Related Spending) and Admin side they are projecting largely fixed expenses, so the HRS budget is fixed from 2024. As discussed before, they have a strong incentive to continue those programs since those expenses are reimbursed all or in part through performance based board program.
- The only significant year over year change in CCO admin is related to payroll. So payroll budget is up around a half a million dollars. That reflects the transition away from provider contracted case management. So this is related to new care coordination requirements beginning in 2025.
- SWOIPA has case management baked into certain primary care contracts, certain behavioral health contracts and they are in the process of transitioning those to the CCO to satisfy the enhanced requirements and so that requires the CCO to hold on to that portion of premiums and to staff up to build that team. That is reflected in the budget shown above.
- The payments to Advantage Dental, SWOIPA, DOCS, those are expected to grow with the growth of premiums. At the end of the year they expect to see an operating income of \$1 million, that's what they've targeted. Their budgets make no assumption about the performance of Advanced Health's investment portfolio.
- Dr. Toledo asks Chris, what is the big picture here, how is Advanced Health doing?
- Chris answers that Advanced Health is strong. Advanced Health is far above and beyond what is necessary to hold the CCO contract. The benefit of this model is that Advanced Health is insulated from some of these actions from OHA. It really creates a durable set up. He believes the risk bearing providers are also in good shape. So this tribal clinic add-on is above and beyond the dental base rate, but really what they see is a transforming provider network, so if the tribal clinics do expand to consume these funds and the funds are about \$15 million for 2025, that looks like a transformed provider network where the tribal clinics are playing a much larger role in the network. So what they would do is adapt, and inviting Karen Michelson from the Ko-Kwell clinic to be a part of this board, is a step in the right direction. We want the tribal clinics to view themselves as part of our system and Advanced Health is in good shape and they have the balance sheets to weather a storm or two.
- With no questions from the Board, they move to motion.

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- ❖ **MOTION:** Motion made by Dr. Toledo approve the Budget and Work Plan for 2025 and seconded by Dr. Bell.
 - ❖ **VOTE:** Unanimous approval. (End 7:30 A.M.)

Final Results of Elected Director Votes:

-With the electronic votes in and documented Mike Hale announces the new elected directors are Jason Bell, MD; Caryn Mickelson, Lance Nelson and Tracy Lang.

The work session was adjourned by common consensus at 8:05 A.M with no further business to be discussed.

Respectfully submitted by,

Jason Bell MD
Secretary/Treasurer

JB/eb 01152025