

**Maine Health Access Foundation
Meeting of the Board of Trustees
December 14, 2023**

Trustees Present: Toho Soma (Chair); Beth Bordowitz, Barbara Crider, Christy Daggett, Tracey Hair, Dennis King, Michael Lambke, Barbara Leonard (*ex-officio*), Kevin Lewis, Edward Miller, Susan Roche, Anita Ruff

Trustees Absent: Grace Odimayo, Clarissa Sabattis, Abdulkerim Said, Ian Yaffe

Staff Present: Margo Beland, Emily Berrill, Charles Dwyer, Jake Grindle, Holly Irish, Ruta Kadonoff, Dani Kalian (recorder), Jeb Murphy, Frank Martinez Nocito

Welcome

Board Chair Toho Soma called the meeting to order at 12:31 p.m., welcomed those present, and reviewed the agenda. Introductions were made and a relationship-building exercise was conducted.

Board Consent Agenda

Chair Soma asked if any items on the Board consent agenda required discussion. Hearing none, *it was MOVED, SECONDED (King/Hair), and VOTED UNANIMOUSLY to approve the following consent agenda items:*

- President's report
- October 12, 2023, Joint Board and CAC meeting minutes
- October Treasurer's Report and Finance Dashboard
- 2022 Audit Correction
- Document Retention and Destruction Policy and Procedure (*2023 update*)
- Procedures for Implementation of MeHAF Conflict of Interest Policy (*2023 update*)

CEO Leonard explained that after the 2022 audit was reviewed and approved by the Finance Committee in September, an error in the deferred tax liability figure was identified. The error was explained, and the corrected information was presented in a memo to the Finance Committee at its November 9 meeting. The change was noted and approved. No additional tax liability exists, and the error was on the part of the auditors. A memo included in the Board packet was referenced which detailed the explanation of the correction as provided by Baker Newman Noyes.

Finance Committee – Ed Miller (Treasurer) and Barbara Leonard (CEO)

Presentation of 2024 Annual Budget: Treasurer Miller and CEO Leonard presented the 2024 budget and explained the budget development process to which all staff contributes. The budget was reviewed by and recommended for Board approval by the Finance, Executive, and Program and Grants Committees. CEO Leonard noted that the amount for health insurance has been adjusted since the Finance Committee's review, as the 2024 quote was not received until November 30; after the Finance Committee met. The renewal of the current health insurance plan is the best option for MeHAF, and the total is \$20,000 higher than in the budget presented for Finance Committee approval, which impacts both the health insurance budget line and the total bottom line. The Executive Committee was informed of this change at its December 1 meeting and was supportive of moving forward with renewal of the current plan, and the increased amounts are reflected in the final administrative budget included in the packet for approval.

Mr. Miller and CEO Leonard reviewed details of the administrative and program budgets, along with the development of the 2024 projected payout. It was explained that each year as the budget is prepared for the following year, the estimate of our required 5% payout is based on the average Net Asset Value (NAV) of the endowment over the first six months of the current year, with the January to June 2023 NAV being \$126,371,000. For the 2024 budget this yielded a target projected payout figure of

\$6,318,550. The actual budget bottom line is \$6,411,450, which includes expenses that do not count toward the 5% payout (e.g., taxes, investment expenses). When finance and investment expenses, taxes, and other costs that cannot be applied to the 5% payout are included, the total 2024 proposed budget is \$6,876,450 (5.07%). Once the projected 2024 payout was calculated, program and administrative budgets were developed accordingly. Guidance for the program budget is guided by the Budget Allocation Guidelines relative to the Strategic Goals. It was also noted that the total budget figure and required payout projections notes are for the core budget, and do not include the Nova Fund, which is tracked and budgeted for separately.

Treasurer Miller and CEO Leonard highlighted the following items of note in the proposed budget:

- The salary and compensation study that was completed in 2023 yielded increases in those budget lines.
- Health insurance costs have increased over 2023, and Mr. Miller asked Trustee Kevin Lewis to provide industry background as to the reason for this increase. Mr. Lewis cited significant increases in small group and individual markets driven by provider rate increases, the reduction in value of the Maine Guaranteed Access Reinsurance Act (MGARA) program, new fertility coverage and other new mandates, and Clear Choice Plans designed with more robust coverage.
- Overall decrease in building occupancy costs at the new location.
- Increase in travel and meeting expenses after the pandemic.
- The program budget is comprised of grants, technical assistance, and consultants, research.
- With recent market increases, the reassessment of the Net Asset Value over the course of 12 months may allow extra funds to be added to program spending when the working budget is created in early 2024.
- The endowment value does not include the value of the Nova Fund as that is being held and tracked separately.

It was noted that if the Finance Committee recommends, and the Board approves, retaining a new investment advisory firm in 2024, those fees will need to be adjusted accordingly in the budget.

It was MOVED, SECONDED (Lewis/King), and VOTED UNANIMOUSLY to approve the 2024 annual operating budget as recommended by the Finance Committee, as amended to reflect the increase of \$20,000 for health insurance costs, as discussed.

Update on RFP Process for Investment Advisory Consultant Services: CEO Leonard shared that the Finance Committee continues to oversee the RFP process for investment advisory services. Consultants from Kidderbrook Group are working closely with a subcommittee of the Finance Committee comprised of former MeHAF Treasurer Bruce Nickerson and Committee members Peter Fackler and Mike Wood. In-person interviews by the full Finance Committee of the three finalist firms were held at the MeHAF office on December 13. Following those interviews, the Finance Committee will meet in January to make a final decision. The full Board will be asked to approve the advisory firm selection at the February 8 meeting. Mr. Miller shared that the Kidderbrook consultants have been extremely helpful guiding this process and that their expertise has been invaluable to the Committee.

Trustees offered the following questions and comments:

- Do the consultants make a recommendation? No, but they are confident any one of the three finalist firms would serve MeHAF well.
- It was noted that Prime Buchholz, one of the three finalist firms, has been our investment advisors for 22 years. As much as there may have been some reluctance from the Finance Committee in years past to field an RFP for a new firm, now is a good time to engage in this process given how much the investment advisory environment has changed.

- The Executive Summary provided by Kidderbrook was helpful to inform the process and it included questions to ask each firm. The discomfort with changing firms can be outweighed by the learning through the decision process.

Review of Progress Toward 2023 Required Payout: CEO Leonard provided a detailed review of MeHAF's progress toward the 2023 payout. It was noted in the Treasurer's report that the beginning endowment value as of January was \$120,985,481.11 and its value at the end of October was \$123,605,962.41. For fiscal year 2023, current anticipated spending will be just under the adjusted projected payout for 2023 of \$6,963,480, which is approximately 5.4% of 2022 January to December Net Asset Value of the endowment. The final payout number will be provided in February.

**Update on MeHAF and Philanthropic Sector Response to Lewiston Mass Shooting –
Barbara Leonard (CEO)**

CEO Leonard shared that MeHAF and the philanthropy community moved rapidly to provide funding in response to the October 25 mass shootings in Lewiston. A list of grants made in early November was included in the packet, and grants focused on behavioral health providers, as well as immigrant-led organizations, and youth and deaf community serving organizations. SPO Martinez Nocito is serving as lead contact with Maine DHHS for the philanthropic sector to help coordinate the response and share information from state government. Maine Philanthropy Center is convening interested foundations, United Way, and other partners on a weekly basis to ensure ongoing coordination and collaboration. SPO Martinez Nocito and CEO Leonard are participating in the calls.

It was asked if any of these agencies work with unsheltered people? Many unsheltered people had no place to stay when the shelter in place order was given by police in the two days after the shooting. SPO Martinez Nocito noted that there are plans underway for a warming center/shelter/detox center that may be covered under pooled funding.

Governance Committee – Susan Roche (Chair) and Barbara Leonard (CEO)

Board and Community Advisory Committee Recruitment Process Update: Governance Committee Chair Sue Roche noted that the Governance Committee has completed the recruitment process to fill three Board vacancies and four Community Advisory Committee (CAC) vacancies. During recruitment, each prospect had a personal meeting with a Governance Committee member and staff representative, at which they were provided detailed background about MeHAF and the role of the Board or CAC. Recruitment meetings began on October 24 and concluded on December 12. We have received positive responses from three Board prospects and four CAC prospects.

The draft election slates for new Trustees and Board officers will be presented to the Board for review at the February meeting. The draft election slate for new Community Advisory Committee members and officers will be presented to the CAC at its January meeting. Following this, names of nominees will be submitted to the Attorney General for review.

Ms. Roche shared that Trustee Abdulkarim Said will resign in April due to personal and professional commitments.

**Program and Grants Committee – Barbara Crider (Committee Member) and
Ruta Kadonoff (VPP)**

Approval of Contract for a Coordinated Evaluation of the Community Responsive Grants and Systems Improvement and Innovation Grants Programs: Program and Grants Committee member Barbara Crider reported that in March and April of 2022, MeHAF engaged evaluation contractors SE Foster Associates and Partnerships for Health to support the development of an evaluation plan and evaluation technical assistance activities for the Community Responsive Grants (CRG) and Systems Improvement and

Innovation Grants (SIIRG) programs. Susan Foster led evaluation planning and a team from Partnerships for Health led evaluation technical assistance programming. In September of this year, Susan Foster presented the resulting evaluation plan to the Program and Grants Committee. This plan formed the basis for a Request for Proposals (RFP) to: (1) provide technical assistance to strengthen grantee organizations' ability to apply evaluative strategies to their own projects and (2) support MeHAF's learning about successes, potential synergies, and possible adjustments to future grantmaking.

With the Program and Grants Committee's approval of the RFP, staff invited eight evaluation and research firms to apply. Of those invited, one submitted a proposal. Two staff and two program grantees reviewed this proposal and recommend engaging the John Snow Institute, Inc. (JSI) as our evaluation contractor. At its October 30 meeting, the Program and Grants Committee considered the staff recommendation to move forward with a contract with JSI and recommends Board approval. It was noted that JSI has a unique relationship with Maine that other evaluators may not have, and that they also have an approach that is consistent with MeHAF's, in which they can provide space for shared values and co-creating the evaluation process with grantees.

Declaration of Conflicts of interest: None declared.

It was MOVED, SECONDED (Miller/King), and VOTED UNANIMOUSLY to approve, as recommended by the Program and Grants Committee, a two-year contract with John Snow Institute, Inc. of up to \$150,000 to provide evaluation services for the CRG and SIIRG programs for the period January 1, 2024 through December 31, 2025, consistent with standard MeHAF contract obligations.

Committee Updates: Program and Grants Committee (PGC) member Barbara Crider shared that, at its October 30 meeting, the PGC reviewed and approved the proposed slate of 2023 Community Responsive Grants Program grantees, as well as additional grants to be made from the Nova Fund to existing Health Equity Capacity Building grantees. Details were outlined in a shared memo.

Nova Fund – Ruta Kadonoff (VPP), Jake Grindle (SPO)

SPO Jake Grindle reported Nova Fund planning to date has identified several key issue areas of focus. One of them is to use approximately \$2 million to support and energize health justice movement building in Maine. To further this issue area, MeHAF hosted a successful planning retreat at the Bethel Inn on November 28-30 focused on building infrastructure to support and strengthen the Health Justice Movement in Maine. Participants included the Health Advocacy and Health Equity Capacity Building grantees, as well as staff, and facilitation and evaluation consultants. The planning was grounded in a charrette process involving structured, successive brainstorming and building upon ideas, which allowed the participants to lead the visioning regarding use of the resources allocated to this priority within the Nova Fund. The multi-day event included activities to foster the building and deepening of relationships with one another, and included meals and accommodations to honor the importance of these grantees to MeHAF's work. SPO Grindle and CEO Leonard met with a small group of MeHAF Trustees and partner philanthropic organizations to provide an update on the retreat process as it was underway. It was noted that there is interest from other philanthropies in learning more about potential areas of collaboration as plans develop further.

At the end of the retreat, many ideas to support health justice movement building had emerged, as had practical approaches to strengthening and supporting the key organizations engaged in such a movement. The planning group of grantees from the two grantee cohorts, other key stakeholders, and staff will continue to meet to develop next steps to reach more specific recommendations for action, with the goal remaining for grantees to be the decision-makers for how the \$2 million allocated from the Nova Fund for this work will be spent.

Trustees Anita Ruff and Ed Miller attended the small group meeting of trustees and philanthropic partners at the retreat and noted the high energy of the participants and the positive collaboration that was evident.

It was also clear how differently the grantee organizations work in relation to each other which became apparent at the end of the retreat when consensus was not realized. The suggested idea for a model of shared services for small service-oriented organizations can be challenging when there would be no ownership by MeHAF. How can MeHAF support this without controlling it? VPP Kadonoff noted that the Health Advocacy and Health Equity Capacity Building grantees will be asked to continue this conversation within their cohorts and then together as a larger group.

Executive Committee Updates and New Business – Toho Soma (Chair) and Barbara Leonard (CEO)

Support of Maine Medical Association Statement on Reform of the U.S. Health Care System: Chair Soma shared that earlier this year, the Maine Medical Association released a comprehensive statement about its stance and recommendations regarding health reform, following a lengthy process of internal consensus-building with its membership. The statement is highly consistent with MeHAF’s mission and values. Given this high alignment, and the importance of the issues raised in the statement to ensuring access to comprehensive high quality health care in the current environment, the Executive Committee recommends that MeHAF publicly endorse the statement, to share it in the MeHAF newsletter and at other opportunities, and to encourage broad support.

The MMA statement was shared for review. It was noted that the MMA did not request a “sign on” or any type of public support from MeHAF, and MMA leadership is aware that the MeHAF Board will be considering endorsement. Maine Medical Education Trust (the sister 501(c)3 organization to MMA) is a grantee in MeHAF’s Health Advocacy program.

Trustees offered the following feedback and considerations:

- Cannot endorse since some of the assertions that are built into the statement are based on assumptions and generalizations that are sometimes true but that are nuanced in the broader sense.
- Appreciate the stated distinction between an “*adequately* compensated health care workforce...” rather than a “*well* compensated” one.
- The challenging relationship between clinician and patient is acknowledged. The statement is aspirational and controversial for the American Medical Association.
- There is conflict in the statement between a call to action for universal health care coverage vs. a strong public health infrastructure.
- MeHAF does not have a policy for endorsing or supporting statements such as this. There is hesitation about the optics and equity of supporting a statement of one grantee and not others. What would drive MeHAF to support this one? Is this opening the door to supporting statements writ large?
- Should MeHAF develop its own statement?

It was agreed that MeHAF would not endorse the MMA statement. CEO Leonard suggested that the Board, Community Advisory Committee, and staff could consider developing a statement on fundamental health system reform in the future as well as draft guidelines for endorsing statements from other organizations.

Updates, Trustee Check-in, and Meeting Evaluation – Toho Soma (Chair) and Barbara Leonard (CEO)

2024 Board, Community Advisory Committee, and Committee meeting calendars: 2024 Board of Trustees, Community Advisory Committee, and standing committee calendars were included in the meeting packet. All were encouraged to mark their calendars.

Meeting Norms Check-In, Evaluation: Chair Soma asked for feedback on how the meeting norms were applied during discussions. Trustees mentioned the level of comfort with non-closure on a couple of items and good engagement overall.

Executive Committee– Toho Soma (Chair) and Barbara Leonard (CEO)

Executive Session: Trustees entered Executive Session at 3:15 (*Lewis/Miller*) to discuss benefits and compensation and also to finalize the 2023 CEO review. CEO Leonard left Executive Session at 3:35 pm. Executive Session ended at 3:37 (*King/Roche*).

Next Meeting

The Board of Trustees will next meet on February 8, 2024.

Adjournment

The meeting adjourned at 3:39 pm. (*Miller/Hair*).

Respectfully Submitted,
Barbara A. Leonard, MPH
President & CEO