

**Maine Health Access Foundation
Board of Trustees Meeting Minutes
February 13, 2020**

Trustees Present: Roy Hitchings (Chair); Dr. Connie Adler, Deborah Deatruck, Dennis King, Dr. Michael Lambke, Barbara Leonard (*ex-officio*), Tony Marple, Edward Miller, Bruce Nickerson, Susan Roche, Catherine Ryder, Clarissa Sabattis, Toho Soma, Shirl Weaver

Trustee Absent: Nancy Fritz

Finance Committee Members Present: Norma Desjardins, Peter Fackler, Odette Thurston

CAC Member Present: Matt Dexter

Guests Present: Cassandra Binette, Jeff Brown, Jonnathan Busko, Greg Johnson, Carol Kelly, Anne Schroth

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

Welcome

Chair Roy Hitchings called the meeting to order at 12:37 p.m., welcomed those present, and reviewed the meeting objectives. New Program Officer Andrea Francis was welcomed to her first official Board meeting, and Program Officer Frank Martinez Nocito was congratulated on his one-year anniversary at MeHAF.

Overview of Socially Responsible Investing

MeHAF Investment Advisors from Prime Buchholz (PB) Cassandra Binette and Greg Johnson were welcomed to the meeting by Finance Committee Chair Bruce Nickerson. Finance Committee members Norma Desjardins, Peter Fackler, and Odette Thurston joined the meeting as well to participate in an overview presentation of Socially Responsible Investing (SRI), which the Finance Committee discussed at its meeting earlier in the day. Mr. Nickerson reminded Trustees that in December 2019, the Board approved a revised Investment Policy Statement (IPS) as recommended by the Finance Committee. The revised IPS contains a new section focused on SRI. He noted that over the course of the coming year the Finance Committee will work closely with PB to review the opportunities and implications of pursuing a socially responsible approach to investments. The draft timeline of anticipated work was shared.

Cassandra Binette began the presentation by defining Mission-Aligned Investment Approaches which include the following:

- Socially Responsible Investing (SRI) which seeks to avoid certain companies or industries through negative screening, in accordance with ethical guidelines.
- Environmental, Social, and Governance (ESG) which integrates ESG factors into fundamental analysis. It may also include active proxy voting and shareholder engagement.
- Impact Investing which invests in projects, companies, funds, or organizations with the goal of generating and measuring mission-related change and financial returns.

Discussion centered around how these mission-aligned investment approaches may be of interest to MeHAF and our investment priorities. Ms. Binette noted that PB has experienced an increase in the number of their clients that are interested in more mission-aligned investment options. She emphasized that PB is not advocating that MeHAF pursue this approach, but rather that PB is

available to support and facilitate the process of deciding if and how best SRI can fit into MeHAF's investment policy.

Ms. Binette noted that over recent years, the aggregate performance of ESG funds has been on par with or has slightly out-performed non-ESG funds. She shared the UN Principles for Responsible Investment (PRI) as one possible tool for assessing SRI and ESG commitments of current assets and investment opportunities. The Finance Committee and PB plan to discuss if UN PRI or other established screening approaches may be options for MeHAF, understanding that there is no one-size fits all approach. Ms. Binette provided examples of how different organizations approach ESG by focusing on a combination of divesting from or supporting various asset categories. MeHAF's approach to SRI will be guided by considering if/how we want to express our mission through our investment portfolio. Potential approaches can include negative screening, positive screening, shareholder advocacy, voting proxies, below market rate loans, separate pool of funds for donor, and revolving loan funds. It was noted that some of these considerations have already been addressed in our recently revised Investment Policy Statement.

Thoughts and comments about SRI from Trustees are as follows:

- It's important to consider approaches that address climate change.
- Once we go about setting ourselves on this path, what is the average length of time we would need to wait to see how these new strategies are performing compared to our non-ESG funds? Ms. Binette estimated that we would have good data within five years.
- Consider the Social Determinants of Health when considering screening tools.
- Available staff time needs to be taken into account before deciding on a new investment approach. It was noted that one reason the Board decided against investing in private equity last year, was the increased time staff would need to devote to managing the investments.
- While ESG may be more appealing than impact investing given the amount of time that would be needed to manage, it was suggested that some level of social impact investing could possibly supplant some of MeHAF's grantmaking efforts if the rate of return would out perform the impact of grantmaking. We could increase our efforts by using both impact investing and grantmaking.

Mr. Hitchings thanked Ms. Binette and Mr. Johnson for the informative conversation and noted that the Finance Committee plans to speak with Maine-based organizations regarding their current SRI approaches, impressions, and to seek their opinions. Mr. Nickerson invited all Trustees to participate in any upcoming Finance Committee meetings.

Consent Agenda

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

- President's report
- December 12, 2019, Board meeting minutes
- December 2019 Treasurer's report
- Board Resolution for Wells Fargo Signing Authority

Finance Committee –

Mr. Bruce Nickerson (Treasurer and Committee Chair), Ms. Barbara Leonard (CEO)

Finance Dashboard and Update on Investment Portfolio Performance: Treasurer Bruce Nickerson provided an update on the investment portfolio performance noting that 2019 closed with strong endowment gains, ending the year at \$125,459,692 (an 18.8% gain for the calendar year). The 2019 actual payout was \$5,606,930, which slightly exceeded the 5% required payout by approximately \$135,000. The 2020 required 5% payout is projected to be \$5,922,000.

It was also noted that new federal tax law was passed that will eliminate the challenge of MeHAF owing federal excise taxes of 1% in some years and 2% in others. There is now a new flat annual federal excise tax rate of 1.39% for private foundations that takes effect in the 2020 calendar year, which will make this calculation much less complicated each year.

Governance Committee – Mr. Toho Soma (Chair), Ms. Barbara Leonard (CEO)

Board and CAC Recruitment and Leadership Update: Governance Committee Chair Toho Soma reported that the Governance Committee is in the process of recruiting three new Board Trustees and four new CAC members to fill upcoming April 2020 vacancies. The outreach process has gone well and we currently have commitments from three new Trustees and four new CAC members. Bios/resumes of these candidates were shared along with the proposed slates of officers for both the Board and CAC. These lists will be provided to the Attorney General's office for review within the required 30-day timeframe prior to the April 9 Annual Meeting, during which both slates will be voted on by Trustees and CAC members.

Equity Subcommittee Update: Governance Committee Chair Soma reminded Trustees that at their December 12 meeting they approved a new Equity Subcommittee that is under the purview of the Governance Committee. Following that meeting self-nominations were sought for participation on the Subcommittee and interest was strong. The Governance Committee reviewed and approved the membership and leadership of the new Subcommittee at its January 21 meeting, and this membership list was shared. It was noted that every standing Committee is represented on the Equity Subcommittee. In addition, Gita Gulati-Partee from OpenSource Leadership Solutions has been engaged to serve as an advisor and to work with local consultant Cathy Kidman who will provide direct support as needed. Co-chairs, staff leads, and consultants met on January 30 to begin planning for the Subcommittee's 2020 activities which will include meetings in early spring and late summer.

Grants Committee –

**Mr. Dennis King (Chair), Ms. Ruta Kadonoff (Director of Programs),
Mr. Jake Grindle (Program Officer)**

Foundation-Initiated Grant to Maine Community Foundation for Health-Focused Grantmaking through the People of Color Fund: Mr. King shared the history of MeHAF's partnership with the Maine Community Foundation's (MCF) People of Color Fund (POCF) which now includes a focused health priority. He noted that 2019 marked the final year of MeHAF's most recent three-year, \$150,000 grant to support the POCF. This grant allowed for \$50,000 of funding for health-related projects per year in the 2017, 2018, and 2019 grant rounds of that fund. In those three years, the program received 38 applications under the health priority, totaling \$329,576 and awarded 18 grants, totaling \$146,299.

Declaration of Conflicts of Interest – No conflicts were declared.

Given the high level of response to the POCF's health-related grants and the learning benefits provided to both MeHAF and MCF by this ongoing funding collaboration, MeHAF seeks to renew and deepen its investment in the fund over the next three years. The funding proposal under consideration would support the POCF with \$225,000 over three years, allowing the fund to make \$75,000 in health-related grants in its 2020, 2021, and 2022 grant rounds.

Program Officer Jake Grindle noted that in addition to the increased annual funding level, the current proposal would allow MCF the opportunity to incorporate a number of program changes and improvements that were not in effect during the previous MeHAF grant period. These include potentially increasing the maximum grant award from \$10,000 to \$15,000 as well as consideration of funding ongoing programs and services (the fund has historically only supported new and discrete projects) and allowing for a portion of the requests to be allocated to unrestricted operating support in addition to project-specific costs. Further, MeHAF Program Officer Andrea Francis has been asked to become an advisor to the POCF so that she will participate in reviewing proposals, while Program Officer Grindle will continue in his oversight role. The Grants Committee reviewed and approved this application at its February 3 meeting and recommends approval by the Board.

After discussion, it was MOVED, SECONDED (Adler/Hitchings), and VOTED UNANIMOUSLY to approve a grant of \$225,000 to Maine Community Foundation for the grant period April 1, 2020 through March 31, 2022, consistent with standard MeHAF contract obligations.

Committee Updates: Mr. King provided an update on recent Grants Committee Actions including the Advocacy Program Evaluation report and the Systems Improvement and Innovation Responsive Grants (SIIRG) Program Request for Proposals. He noted that the RFP was approved by the Grants Committee at its February 3 meeting as was released on February 5. Program Officer Charles Dwyer shared that since the SIIRG RFP was released there has been a high level of potential applicant interest. Multiple information sessions and a webinar have been held around the state over the past week with over 75 people participating.

Rural Health Update – Mr. Charles Dwyer (Senior Program Officer)

Senior Program Officer Charles Dwyer provided an overview of the rural health work being done through MeHAF grants and introduced the discussion about potential areas of action to address rural health concerns and system gaps as well as work currently being done by our grantees. He noted that in 2014-2015 we presented a concept of ways to change the rural health system through the Rural Health Transformation Grant and the development of Rural health Profiles which were produced in 2016. A statewide rural health conference was held and was well attended. There are currently five rural health grants in progress involving issues such as paramedicine, urgent care services, and ambulance services.

Mr. Dwyer welcomed Jeff Brown who is a systems safety consultant and a regular participant in the Rural Health Action Network (RHAN). He has a background in cognitive systems engineering, patient safety, and risk reduction. Mr. Brown shared the research report “Right Care, Right Place and Right Time in Maine” which highlights the risks to patients associated with health system expansion. The study focused on the problem that Maine is experiencing of the ongoing erosion of rural healthcare services and capacity due to the interrelated problems of depopulations, a diminishing workforce, and financial duress among rural hospitals and other

healthcare facilities, such as nursing homes. A second study will be conducted to delve deeper into these issues.

Mr. Dwyer introduced Carol Kelly who is a strategic planning and communications consultant at Pivot Point and who is the coordinator of the RHAN and technical assistant provider for the Rural Health Transformation Grantees. Ms. Kelly noted that the RHAN provides a blueprint to decision makers and communities that helps jump start, support, and continue to drive real change and reform in the rural health care system. Focus areas of priority actions include:

- Mobilize state and local leaders to address the crisis in rural health and health care;
- Rethink rural health services delivery;
- Redesign payment systems;
- Leverage data and technology; and
- Build the essential rural health workforce.

The RHAN is currently involved with supporting the DHHS Office of Rural Health around the development of the state rural health plan; EMS system; and early meetings of the nonpartisan rural health caucus.

Rural Health Grantees Anne Schroth and Jonnathan Busko were introduced. Ms. Schroth is the Healthy Aging coordinator at Healthy Peninsula. Ms. Schroth shared that Healthy Peninsula in Blue Hill is conducting a community paramedicine project, which is in its accelerating year, as part of Age Friendly Coastal Communities, a MeHAF-funded rural health grant. The project provides coordinated medical and social service support through partnership with Northern Light Blue Hill Hospital, community paramedicine providers, and a network of social/community-based services to improve access to timely, coordinated care for isolated, underserved older and/or disabled patients of Northern Light Blue Hill Hospital's services area.

Dr. Jonnathan Busko is the director of the emergency department at St. Joseph's Hospital in Bangor and a professor at Eastern Maine Community College. Dr. Busko shared the continuing development of a pilot Community Care Paramedic Practitioner (CCPP) model of care. This innovation model could strengthen the health system of rural Jackman and lead to sustainability of urgent medical care services, and will be tailored to assist in sustainability of primary care services as well, to improve overall population health for residents and visitors regardless of their socioeconomic/insurance status.

Chair Hitchings thanked all of the presenters for providing an update on the rural health work that MeHAF is funding around Maine and for the insights they brought as key players in the field.

New Business

Grantmakers In Health Annual Meeting – CEO Leonard shared that the GIH Annual Conference is scheduled for June 16-19 in Minneapolis, Minnesota. Trustees were reminded that they had received an invitation in January to determine interest in attending and asked those who haven't let us know that they'd like to attend to do so as soon as possible. As of now Trustee Toho Soma and CAC members Gloria Aponte C. and Abdul Said are planning to attend, along with two-three staff members.

Dr. Wendy J. Wolf Health Leadership Award – Ms. Leonard announced that we will soon be recruiting three Board members to serve on the Dr. Wendy J. Wolf Health Leadership Award Committee. Anyone interested is encouraged to participate.

Executive Committee – Mr. Roy Hitchings (Chair)

CEO 2019 Annual Review: Chair Hitchings noted that the CEO annual review process will begin with a survey being sent to all Trustees, CAC members, and Staff. He noted that the surveys are confidential and the results will provide important feedback on the CEO's performance. Chair Roy Hitchings, Vice Chair Connie Adler, and Executive Committee member Catherine Ryder will review and summarize the results for discussion at the March Executive Committee meeting. The performance assessment results and salary adjustment recommendation will be presented and discussed at the April Board meeting. All were encouraged to complete the survey by the February 21 deadline.

Trustee Check-In and Meeting Evaluation – Mr. Roy Hitchings (Chair)

Chair Hitchings noted that today's meeting was held via Zoom due to snowy road conditions for those who couldn't make it to the MeHAF office. He commented that the Zoom interface worked well and was conducive to an interactive experience and thanked Trustees for their participation and engagement during the meeting.

Next Meeting

The Board is scheduled to meet jointly with the Community Advisory Committee at the Annual Meeting on Thursday, April 9, 2020, at Maple Hill Farm in Hallowell.

Adjournment

The meeting adjourned at 3:48 pm on a *MOTION and SECOND* by Marple/Nickerson.

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