

Board of Directors Meeting

June 11, 2018, 1 pm to 3 pm

Location: Kitsap Regional Library; 700 NE Lincoln Rd, Poulsbo

Web: <https://global.gotomeeting.com/join/937538149>

Phone: +1 (872) 240-3311

Access Code: 937-538-149

KEY OBJECTIVE

- Review, discuss and accept the independent auditor's report
- Solidify officer positions for the next calendar year
- Discuss and agree on a policy to guide how to target payments to partnering providers

AGENDA (Action items are in red)

Item	Topic	Lead	Attachment	Page(s)
1	1:00	Welcome and Approve Agenda	Roy	
2	1:05	Consent Agenda	Roy	1. DRAFT: Board Minutes: May 14, 2018 2. Director's Report
3	1:10	Independent Audit	Hilary Tom (DZA)	3. Board Communication Letter (DZA) 4. Audited Financial Statements (DZA)
4	1:30	Officer Positions	Elya	5. SBAR: Officer Positions
5	1:40	Funding Allocation Planning	Jennifer Elya	6. DRAFT: Payment Policy <i>Still under development. Will send electronically</i>
6	2:30	Board Alternates	Roy	7. SBAR: Board Alternates
7	2:40	Anti-Discrimination Policy	Roy	8. DRAFT: Anti-Discrimination Policy
8	3:00	Adjourn	Roy	

Acronyms

SBAR: Situation. Background. Action. Recommendation

DZA: Dingus, Zarecor & Associates, the firm hired by OCH to perform an independent audit

Olympic Community of Health

Meeting Minutes

Board of Directors

May 14, 2018

Date: 05/14/2018		Time: 1:00pm- 3:04 pm	Location: Poulsbo Library
Chair: Roy Walker, <i>Olympic Area Agency on Aging</i> Members Attended: Anders Edgerton, <i>Salish Behavioral Health</i>; Bobby Beeman, <i>OMC</i>; Chris Frank MD, PhD, <i>Clallam County Public Health</i>; Dale Wilson, <i>Olympic Community Action Programs</i>; Dave Cundiff, <i>Quileute Tribe</i>; David Schultz, <i>CHI Franciscan Harrison Medical Center</i>; Gill Orr, <i>Cedar Grove Counseling</i>; Joe Roszak, <i>Kitsap Mental Health Services</i>; Gary Kreidberg, MD, <i>Harrison Health Partner</i>; Karol Dixon, <i>Port Gamble S'Klallam Tribe</i>; Katie Eilers, <i>Kitsap Public Health District</i>; Michael Maxwell, MD, <i>North Olympic Healthcare Network</i>; Roy Walker, <i>Olympic Area on Aging</i>; Thomas Locke, <i>Jefferson County Public Health</i>; Libby Cope, <i>Makah Tribe</i>; Meriah Gille, <i>Lower Elwha Klallam Tribe</i>; Brent Simcosky, <i>Jamestown Family Health Clinic</i>; Andrea Davis, <i>Coordinated Care</i> Non-Voting Members Attended: Caitlin Stafford, <i>Amerigroup</i>; Jorge Rivera, <i>Molina</i>; Cathy Neiman, <i>CHPW</i> Guests: Stephanie Lewis, <i>Salish Behavioral Health</i>; Laura Johnson, <i>United Healthcare</i>; G'Nell Ashley, <i>Reflections</i>; Attended by Phone: Alan Fisher, Amy Etzel, Andrew Shogren, <i>Suquamish Tribe</i>; Hilary Whittington, <i>Jefferson Healthcare</i> Contractors: Maria Klemesrud, <i>PTSH Qualis Health</i>; Siri Kushner, <i>Kitsap Public Health District</i>; Daniel Vizzini, <i>Oregon Health Sciences University</i>; Staff: Elya Moore, Margaret Hilliard, Grace McCallister, Lisa Rey Thomas, JooRi Jun (phone)			
Person Responsible for Topic	Topic	Discussion/Outcome	Action/Conclusions
Roy Walker	Welcome and Introductions	Meeting called to order at 1:03 P.M. <i>Board introduced to Elizabeth "Libby" Cope, as new member representing the Makah Tribe.</i>	
Roy Walker	Consent Agenda	BoD approval of consent agenda and minutes from April 9, 2018	April 9th Board Minutes APPROVED unanimously
Brent Simcosky Mike Maxwell Elya Moore	Funding Allocation Planning and CP v2.0 SBAR: 2018 Funds Flow Model. Preliminary Recommendation	- Partners to be measured on outcomes - Staff is working with partners to come up with metrics to measure. - Simplified the Change Plan by providing checkbox/click to ease the narrative, helping connect partners. - Goal is to report every 6 months, this will align with the HCA reports - 40-50 outcomes, 5 domains; each domain has focus areas, outcomes highlights, these are what providers and partners will be measured on, our goal is to track outcomes.	MOTION APPROVED The Board accepts the interim Funds Flow Model for 2018 as recommended by the Funds Flow Workgroup, contingent on findings from second Change Plan pilot process. Change Plan Draft to be completed, repiloted,

		- The tactics are derived from- 1. Evidence-based approaches 2. Partner proposal process from 2017 - Contracts with MCO's will be renewed annually with the potential for minor amendments; clarifications/small additions. - Positive feedback was received from Pilots. SBAR Review - Goal: First payment out in June. - Payments for reporting by meeting milestones and committing to outcomes. - Larger provider systems may have two change plans, however; only one Transformation payment will be made - Getting providers to subcontract will offset the initial cost, MOU could be done between both organizations. - 2019 contract amendment - 60% based on scale, 30% based on Change Plan, 10% start date; however, this will likely change - Work being conducted to ensure NCCs are getting together to better quality of health, and referrals.	and Funds Flow Workgroup reconvened
Roy Walker	Board Alternates	Add Designated Alternates: - Tim Cournyer for Hilary Whittington - Ford Kessler for Gill Orr	Motion Approved unanimously
Lisa Rey Siri Kushner	OCH Partner Convening: Overview and Results	- All 3 Shared Change Plans were signed – not all partners were present, or had the authority to sign - Concerns raised regarding inability to speak and/or be heard - We should be sensitive to those who are speaking. Listen more. This reflects what our relationships could be like moving forward.	
Lisa Rey	Update: Tribal Planning Funds	- HCA working with each Tribe to help get uploaded in the financial executor portal w/ contract signed - Timeline and process shared for Tribal-specific projects	

Elya Moore	Planning the Board Retreat	- Considering November time frame- - Discuss: Financial Sustainability, Clinical Health Needs, Sector Seats...	Staff will circulate Doodle poll with potential retreat dates
Roy Walker	Adjourn	Meeting Adjourn: 3:04	

DRAFT

Top 3 Things to Track #KeepingMeUpAtNight

1. Now that the Change Plan pilots are complete, it has become painstakingly clear how important it is to target the Transformation investments. Our funds flow planning process has led to difficult, albeit critically important conversations that now require Board direction.
2. As we begin the process of loading the Change Plan into the online reporting and communication tool and finalizing funds flow and partner contracts, I am struck with both anxiety and excitement. It has been two years and we are finally here! Last night, when I couldn't sleep, I referred to one of my all-time favorites, the Man in the Arena by from Teddy Roosevelt: *It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat.* I am honored to be in the arena with our community partners.
3. No number three this month. One and two are doing a good job keeping my up at night!

OCH Meetings

- May 3 Fund Flow Workgroup, Sequim
- May 22 Executive Committee, virtual
- May 24 3 County Coordinated Response Project Steering Committee, Blyn
- May 29 Fund Flow Workgroup, Port Townsend
- May 30 Finance Committee, virtual
- June 11 Board of Directors Meeting, Poulsbo
- June 22 Finance Committee
- June 26 Executive Committee
- October 17 Regional Opioid Summit, Kingston
- November 2 Board Retreat, Little Boston

Hiring status

OCH is wrapping up interviews for the Program Coordinator position and hopes to have this position filled by mid-June. Interviews for the Communications and Development Coordinator are underway.

Board Retreat Preparations

We are grateful to the Port Gamble S'Klallam Tribe for hosting the OCH Board Retreat in their longhouse on November 2nd. Meetings with Board members for each of the potential OCH strategic priority areas are scheduled. Two additional options have been added for the Board's consideration and are noted with an asterisk below:

1. Chronic disease prevention – Katie Eilers
2. Housing – Dale Wilson
3. End-of-life planning – Roy Walker

4. Oral health access – Tom Locke
5. Health equity* – Bobby Beeman and Chris Frank
6. All-payer collaborative* – Dan Vizzini (consultant)

Naming the OCH communications and reporting platform

The frontrunner name is: Online Reporting and Community Activities (ORCA). Staff is thinking through how to rework this name due to trademark restrictions. We may change the first word to “Olympic” and match to our brand.

Payments through the Financial Executor Portal

All nine ACHs made payments through the financial executor portal on May 23rd for shared health systems capacity building investments to the intergovernmental transfer (IGT) contributors. For OCH, this payment totaled \$1,638,436. Additionally, five ACHs have issued payments to partnering providers, totaling \$9,985,206 statewide:

- \$2,690,209 integration incentives
- \$1,136,744 health systems and capacity building
- \$4,760,754 provider engagement, participation, and implementation
- \$287,000 project management
- \$1,110,500 administration

UPDATE: IT Care Coordination Pilot (formerly called Apple Integration now referred to as COMMONS)

We are on track for the COMMONS to go live with North Olympic Healthcare Network (NOHN) and Olympic Personal Growth (OPG) the week of June 18th. This means NOHN and OPG will now be able to securely:

- Send substance use disorder treatment or primary care referrals
- OCH and Clallam Natural Community of Care team will now be able to track metrics on the "states and statuses" of referrals such as acceptance rate and wait times

The OCH general IT contractor, Rob Arnold, is working on a proposal to enroll seven other community partners on to Clallam COMMONS and to provide an example of what a sustainability model could look like for Clallam COMMONS. The proposal will include scaling the COMMONS to Jefferson and Kitsap.

UPDATE: Three County Coordinated Opioid Response Project (3CCORP)

The 3CCORP Steering Committee resumed meeting on May 24, 2018 and reviewed priorities, strategies, and timelines for 3CCORP work inclusive of the opioid project in the MTP. Immediately prior to the 3CCORP Steering Committee, Rosa McLeod from Senator Cantwell’s office met with the public health officers from Clallam, Jefferson, and Kitsap counties to hear about legislative updates and to share the great work being done in the OCH region as well as critical needs. The 3CCORP Prevention Workgroup is scheduled for June 21 and the 3CCORP Treatment Workgroup will also be scheduled sometime the week of June 18.

OCH is close to execution of the contract with the UW for the Six Building Blocks work in our region. The first clinic, Jamestown Family Health Clinic, had a preparatory call with the 6BB team. The clinic kick-off is tentatively scheduled for July 26! The NW Family Medicine Residency is poised and ready to be 6BB clinic #2!

Dr. Scott Kennedy (OMC) hosted a multi-sector meeting with WSHA, WSMA, DOH, and Collective Medical to regarding the pilot for a new fatal and non-fatal overdose notification project. If a patient presents to the ED with a fatal or non-fatal controlled substance overdose, all providers who have prescribed an opioid to that patient in the six months prior to the overdose will receive a letter notifying the provider of the overdose; the patients primary care provider will also be notified. The Olympic region agreed to serve as the pilot region for this important project.

Senator Murray hosted a roundtable on opioids on May 31 at PCHS. Comments were provided by attendees from PCHS, Port Gamble S’Klallam Tribe, and OCH (Lisa Rey). In addition, two community members shared their story of opioid use disorder and recovery and comments were provided by audience members.

SAVE THE DATE! The 3CCORP Steering Committee determined that the second annual OCH Opioid Summit will be held on Wednesday October 17, 2018. More to come!!

OCH lead on 3CCORP continues to host weekly calls with ACHs and tribes across the state to share resources and collaborate on opioid project activities. Lisa Rey, along with Vic Colman from Pierce County ACH, are working with Jason McGill (Governor's office) and Charissa Fotinas (DOH/HCA) to plan and convene a statewide meeting for ACH/Tribal opioid leads.

UPDATE: Community and Tribal Engagement

Partners in the OCH region have been busy! The OCH team has been zooming around the region to continue to establish and strengthen networks and relationships through in-person participation in meetings and events. This supports the success of the MTP and our partners.

Lena Nachand, Tribal Liaison for Healthier Washington, has established bi-weekly webinar meetings and occasional in person meetings for tribal liaisons/directors from each of the ACHs. This allows for better aligned tribal partnership with collaboration and sharing of resources among the ACHs. Lisa Rey attends these meetings on behalf of OCH.

Lisa Rey will present an initial roster of potential members for the newly established Community and Tribal Advisory Committee at an upcoming OCH Board meeting.

- May 17, i2i demonstration, Sequim
- Health Systems Capacity Building, Kent
- May 23, Hub & Spoke system, Port Orchard
- May 24, Staff from Senator Cantwell's office and regional public health officers, Blyn
- May 24, 3CCORP Steering Committee, Blyn
- May 25, Aligning metrics with payers, Port Townsend
- May 30, 6BB team and Jamestown Health Director and Chief Medical Officer
- May 31, opioid roundtable with Senator Murray, Bremerton
- June 1, SBHO Advisory Board, Sequim
- June 4, Seattle Indian Health Board Chief Medical Officer regarding low barrier suboxone program
- June 5, monthly NIH Tribal Advisory Committee
- June 5, East Jefferson Fire and Rescue
- June 5, Jefferson County MH/SUD Advisory Committee, Jefferson Public Health
- June 6, MAT presentation for prescribers and outpatient SUD providers, Port Angeles
- June 6, monthly Tribal/HCA/DOH call
- June 7, ACH Equity and Communities
- June 11, WA Association of Community and Migrant Health Centers, Poulsbo
- June 12, SBHO Providers meeting, Sequim
- June 12, Clallam County MH/SUD Advisory Committee, Port Angeles
- June 15, SBHO Executive Board meeting, Blyn
- June 18, Premera Rural Healthcare Initiative, Bothell
- June 19, Jefferson County CHIP meeting, Port Townsend
- June 19, Tribal Substance Abuse Prevention Conference, Suquamish
- June 21, 3CCORP Prevention Workgroup meeting, Blyn
- June 25-27 – WSHA Rural Hospital Retreat, Chelan
- June 27, Hub & Spoke system, Port Orchard
- July 3, Kitsap Public Health Board, Port Orchard



Board of Directors
Olympic Community of Health
Port Townsend, Washington

We have audited the financial statements of Olympic Community of Health (Organization) for the eleven-month period ended December 31, 2017, and have issued our report thereon dated May 25, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 28, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017.

As described in Note 1, management recognizes contract revenue based on progress towards performance objectives. Performance progress is estimated based on costs incurred. We discussed contract revenue recognition with management and believe the method selected is appropriate in the circumstances.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Organization's financial statement is the deferred contract revenue. Deferred contract revenue is estimated based on costs incurred.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 25, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Organization’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
May 25, 2018

Olympic Community of Health

Financial Statements and Independent Auditors' Report

December 31, 2017



DINGUS | ZARECOR & ASSOCIATES PLLC
Certified Public Accountants

Olympic Community of Health
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Olympic Community of Health
Port Townsend, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of Olympic Community of Health (the Organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the eleven-month period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Olympic Community of Health as of December 31, 2017, and the changes in its net assets and its cash flows for the eleven-month period then ended in accordance with accounting principles generally accepted in the United States of America.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
May 25, 2018

**Olympic Community of Health
Statement of Financial Position
December 31, 2017**

ASSETS		2017
<i>Current assets</i>		
Cash	\$	5,953,951
Prepaid expenses		1,382
Total current assets		5,955,333
Total assets	\$	5,955,333
LIABILITIES AND NET DEFICIT		
<i>Current liabilities</i>		
Accounts payable	\$	47,108
Accrued compensation and related liabilities		43,360
Deferred contract revenue		5,869,767
Total current liabilities		5,960,235
<i>Unrestricted net deficit</i>		(4,902)
Total liabilities and net deficit	\$	5,955,333

See accompanying notes to financial statements.

Olympic Community of Health
Statement of Activities
Eleven-month Period Ended December 31, 2017

	2017
<i>Revenues, gains, and other support</i>	
Contract revenue	\$ 588,735
<i>Expenses</i>	
Salaries and wages	258,884
Employee benefits	46,593
Professional fees	234,682
Supplies	9,075
Telephone	4,421
Insurance	1,024
Occupancy	16,141
Other	22,817
Total expenses	593,637
Change in unrestricted net deficit	(4,902)
<i>Unrestricted net assets, beginning of period</i>	-
Unrestricted net deficit, end of period	\$ (4,902)

See accompanying notes to financial statements.

Olympic Community of Health
Statement of Cash Flows
Eleven-month Period Ended December 31, 2017

	2017
<i>Increase (Decrease) in Cash</i>	
<i>Cash flows from operating activities</i>	
Contract receipts	\$ 6,458,502
Cash paid for employee salaries and benefits	(262,117)
Cash paid to suppliers and others	(242,434)
Net cash provided by operating activities	<u>5,953,951</u>
Net increase in cash	5,953,951
Cash, beginning of period	<u>-</u>
Cash, end of period	\$ 5,953,951
<i>Reconciliation of Change in Unrestricted Net Deficit to Net Cash Provided by Operating Activities</i>	
Change in unrestricted net deficit	\$ (4,902)
<i>Adjustments to reconcile change in unrestricted net deficit to net cash provided by operating activities</i>	
Change in:	
Deferred contract revenue	5,869,767
Prepaid expenses	(1,382)
Accounts payable	47,108
Accrued compensation and related liabilities	<u>43,360</u>
Net cash provided by operating activities	\$ 5,953,951

See accompanying notes to financial statements.

**Olympic Community of Health
Notes to Financial Statements
Eleven-month Period Ended December 31, 2017**

1. Organization and Summary of Significant Accounting Policies:

a. Organization

Olympic Community of Health (the Organization), a not-for-profit corporation, is an accountable community of health, one of nine in the state of Washington, designed to be able to address the major health priorities in the region, focusing on health equity and social determinants of health. The region includes Clallam, Jefferson, and Kitsap Counties, as well as the Sovereign Nations of the Hoh, Jamestown S’Klallam, Lower Elwha Klallam, Makah, Port Gamble S’Klallam, Quileute, and Suquamish Tribes.

The Organization’s Board of Directors consists of leaders from tribal nations and health sectors. Currently they are focusing their efforts on five regional health priority areas; access, aging, behavioral health, chronic disease, and early childhood. The first regional health improvement project is a tri-county opioid response coordination project. Olympic Community of Health was incorporated in Washington in November 2016, and began operating February 1, 2017.

b. Summary of Significant Accounting Policies

Financial statement presentation – The financial statements of the Organization have been presented on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents – For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents. The Organization did not have any cash equivalents as of December 31, 2017.

Prepaid expenses – Prepaid expenses are expenses paid during the year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense.

Accrued compensation and related liabilities – The Organization’s employees earn paid vacation at varying rates depending on their position and years of service. Unused vacation is accumulated and paid to the employee when the employee terminates employment; up to a maximum of 96 hours will be paid at termination of employment. The estimated amount of vacation payable for termination payments is reported as a current liability at December 31, 2017.

Temporarily and permanently restricted net assets – Temporarily restricted net assets are those whose use by the Organization has been restricted by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. The Organization had no temporarily or permanently restricted net assets at December 31, 2017.

Olympic Community of Health
Notes to Financial Statements (Continued)
Eleven-month Period Ended December 31, 2017

1. Organization and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Deferred contract revenue – The Organization received \$6,000,000 from the Washington State Health Care Authority in advance for their Accountable Community of Health contract.

Contract revenue – The Organization receives substantially all of its contract revenue from the Washington State Health Care Authority. The Organization recognizes contract revenue based on progress towards performance objectives. The Organization estimates performance progress based on costs incurred.

Any of the funding sources may, at their discretion, disallow claims or demand the return of funds, or both, as a result of noncompliance by the Organization with the terms of the contracts.

Contributions – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. The Organization had no temporarily or permanently restricted contributions in 2017.

Donated equipment, materials, and investments are reflected as contributions in the accompanying financial statements at their estimated fair value at the date of receipt.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted contributions unless the donor has restricted the contributed asset for a specific purpose. Gifts of long-lived assets with explicit restrictions regarding their use and contributions of cash that must be used to acquire capital assets are reported as restricted contributions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Credit risk – The Organization maintains its cash balance with a local bank. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The bank deposits may exceed federally insured limits at times and at year end. The Organization has not experienced any losses in cash balances and management does not believe it is exposed to any significant credit risk.

Income taxes – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is necessary. The Organization evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of December 31, 2017, the Organization had no uncertain tax positions.

Subsequent events – The Organization has evaluated subsequent events through May 25, 2018, the date on which the financial statements were available to be issued.

Olympic Community of Health
Notes to Financial Statements (Continued)
Eleven-month Period Ended December 31, 2017

1. Organization and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Upcoming Accounting Pronouncements – In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Organization's year ending December 31, 2019. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Organization has not yet determined which application method it will use. The Organization does not expect that this standard will have a significant impact on the Organization's main revenue stream; however, management is still assessing the actual impact.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which will supersede the current lease requirements in Accounting Standards Codification (ASC) 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of activities. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statement of financial position. The reporting of lease-related expenses in the statement of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending December 31, 2020, and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on the financial statements as a result of the leases for rented office space and medical equipment being reported as liabilities on the statement of financial position. The effect of applying the new lease guidance on the financial statements will be to increase long-term assets and to increase short-term and long-term lease liabilities. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. ASU No. 2016-14 requires significant changes to the financial reporting model of organizations that follow FASB not-for-profit rules, including changing from three classes of net assets to two classes: net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Organization, including required disclosures about the liquidity and availability of resources. The new standard is effective for the Organization's year ending December 31, 2018, and thereafter and must be applied on a retrospective basis. The standard is expected to have an impact on the presentation of net assets and to result in enhanced disclosures related to liquidity and availability.

Olympic Community of Health
Notes to Financial Statements (Continued)
Eleven-month Period Ended December 31, 2017

2. Retirement Plan:

The Organization offers its employees the option of participating in a SEP-IRA Plan (the Plan). The Plan, available to all employees who meet the eligibility requirements, permits them to defer a portion of their salary until future years.

Participation in the Plan is voluntary. Each qualified employee will become eligible and fully vested in the plan after three months of employment. The Organization will make cash contributions of three percent of the employee's salary to the Plan. During the eleven-month period ended December 31, 2017, the Organization contributed approximately \$8,000 to the Plan on behalf of employees.

All amounts of compensation deferred and matching contributions under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are held in trust for the exclusive benefit of employee plan participants. Consistent with this, the Organization has no rights to these monies and, therefore, plan assets and liabilities are not reported on the Organization's financial statements.

3. Functional Expenses:

The Organization provides various programs and other activities to clients within its geographic location. Accordingly, certain costs have been allocated among the programs and supporting services benefited as follows:

	2017
Program services	\$ 439,195
General and administrative	154,442
Total expenses	\$ 593,637

Olympic Community of Health

SBAR: Executive Committee Election of Officers: July 2018 to June 2019

Discussed at the Executive Committee May 22, 2018

Presented to the Board of Directors June 11, 2018

Situation

The officer annual terms are up July 2018. Each may hold one more term within the term limit.

Background

Bylaws

The officers of the OCH Board shall be President, Vice President, Secretary, Treasurer, and At-Large. At the end of the President's term, the At-Large office will be replaced by the Past-President. The Board may approve additional officers as it deems necessary for the performance of the business of the OCH. The term of office shall commence on July 1 and each officer shall hold office for one (1) year or until he or she shall have been succeeded or removed in the manner hereinafter provided. Such offices shall not be held for more than three (3) consecutive terms. Such officers shall hold office until their successors are elected and qualified. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

The first election was held June 2016 and the second election was held June 2017. The current Executive Committee membership is:

<u>Member</u>	<u>Officer Position</u>	<u>Representation</u>
Roy Walker	President	Long-term care
Jennifer Kreidler-Moss	Vice President	Primary care
Hilary Whittington	Treasurer	Rural health
Leonard Forsman	Secretary	Suquamish Tribe
Joe Roszak	At-Large	Mental health

Action

Roy Walker, Jennifer Kreidler-Moss, Hilary Whittington, and Joe Roszak have expressed a willingness to continue in their current positions for a third year. Chairman Leonard Forsman has resigned from the Secretary officer position. The role of the Secretary is to:

- Attend all Board meetings
- Serve on the executive committee
- Ensure the safety and accuracy of all Board records
- Review Board minutes
- Assume responsibilities of the president in the absence of the Board president and vice-president
- Provide notice of meetings of the Board and/or of a committee when such notice is required

Proposed Recommendation

1. The OCH Board of Directors approves the following slate of officers for the July 2017- June 2018 term
 - i. Roy Walker, President
 - ii. Jennifer Kreidler-Moss, Vice President
 - iii. Hilary Whittington, Treasurer
 - iv. Joe Roszak, At-Large
2. The OCH Board of Directors accepts Chairman Forsman's resignation as Board Secretary and requests nominations for the Secretary position.

S.B.A.R. Board Alternate

Presented to the June 11 Board of Directors Meeting

Situation

In accordance with our bylaws, “A sector may designate an alternate member if desired”.

Background

Currently the *Mental Health Treatment* sector is represented by Joe Roszak with no Alternate member designated.

Action

After caucusing within the Mental Health sector, Wendy Sisk, CEO of Peninsula Behavioral Health, has been nominated as Joe’s Alternate for the *Mental Health* sector.

Proposed Recommendation

1. The Board approves the nomination of Wendy Sisk to serve as Joe Roszak’s Alternate for the *Mental Health Treatment* sector seat on the OCH Board of Directors.

Policy #
Anti-Harassment Policy

Purpose

Olympic Community of Health (OCH) strives to create and maintain a work environment in which people are treated with dignity, decency and respect, characterized by mutual trust and the absence of intimidation and exploitation. Employees, board members and contractors should be able to work and learn in a safe and stimulating atmosphere. OCH will not tolerate discrimination or harassment of any kind.

All employees and board members, regardless of their positions, are covered by and expected to comply with this policy and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action may be taken against any person who violates this policy. If the harassment occurs with a contractor, partner, community member or any other member of the general public, OCH may take reasonable action to ensure a safe environment for all parties.

By signing this policy, employees and board members acknowledge that their behavior outside of the traditional workplace may be a direct reflection of OCH. Therefore, this policy applies to the situations outside of the normal workplace, including social events where more than one OCH employee or board member are present, or public social media posts that may be tied back to OCH.

If you experience or witness behavior that is in violation of this policy, please refer to the Anti-Harassment Procedure.

Definitions

OCH, in compliance with all applicable federal, state and local anti-discrimination and harassment laws and regulations, enforces this policy in accordance with the following definitions and guidelines:

Discrimination: It is a violation of OCH's policy to discriminate in the provision of employment opportunities, benefits or privileges; to create discriminatory work conditions; or to use discriminatory evaluative standards in employment if the basis of that discriminatory treatment is, in whole or in part, the person's race, color, national origin, age, religion, disability status, gender, sexual orientation, gender identity, genetic information or marital status.

Discrimination in violation of this policy may be subject to disciplinary measures up to and including termination.

Harassment: OCH prohibits harassment of any kind, including sexual harassment, and may take appropriate and immediate action in response to complaints or knowledge of violations of this policy. For purposes of this policy, harassment is any verbal or physical conduct designed to threaten, intimidate or coerce an employee, co-worker, contractor, board member or any person working for or on behalf of OCH.

Sexual harassment: Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. Sexual harassment occurs when unsolicited and unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature:

- Is made explicitly or implicitly a term or condition of employment.
- Is used as a basis for an employment decision.
- Unreasonably interferes with an employee's work performance or creates an intimidating, hostile or otherwise offensive environment.

Courteous, mutually respectful, pleasant, non-coercive interactions between those covered by this policy that are appropriate in the workplace and acceptable to and welcomed by both parties are not considered to be harassment.

Retaliation: No hardship, loss, benefit or penalty may be imposed on an employee in response to:

- Filing or responding to a bona fide complaint of discrimination or harassment.
- Appearing as a witness in the investigation of a complaint.
- Serving as an investigator of a complaint.

Retaliation or attempted retaliation in response to lodging a complaint or invoking the complaint process is a violation of this policy. Any person who is found to have violated this aspect of the policy may be subject to sanctions.

Consensual Romantic or Sexual Relationships

OCH strongly discourages romantic or sexual relationships between a manager or other supervisory employee and an employee who reports directly or indirectly to that person because such relationships may create compromising conflicts of interest or the appearance of such conflicts.

If any employee or Board member of OCH enters into a consensual relationship that is romantic or sexual in nature with an employee, Board member, contractor or contracting partner of OCH, the parties must notify the Director of Administration, Executive Director or other appropriate officer in accordance with the Anti-Harassment Procedure.

Alternative Legal Remedies

Nothing in this policy may prevent the complainant or the respondent from pursuing formal legal remedies or resolution through local, state or federal agencies or the courts.

Acknowledgement of Receipt and Understanding of this Policy

By signing below, I acknowledge that I have received and read the OCH Anti-Harassment Policy, that I understand the policy, and that I have addressed any questions that I had regarding the terms of this policy with the Director of Administration.

Name

Date

Signature