

ALASKA MENTAL HEALTH TRUST AUTHORITY

FULL BOARD OF TRUSTEES MEETING

November 16, 2017

8:30 a.m.

Taken at:

3745 Community Park Loop, Suite 120
Anchorage, Alaska

OFFICIAL MINUTES

Trustees present:

Mary Jane Michael, Chair
Carlton Smith (via Speakerphone)
Paula Easley
Jerome Selby
Christopher Cooke
Greg Jones

Trust staff present:

Mike Abbott
Steve Williams
Miri Smith-Coolidge
Jimael Johnson
Heidi Wailand
Carley Lawrence
Luke Lind
Michael Baldwin
Carrie Predeger
Katie Baldwin-Johnson
Valette Keller
Andy Stemp
Kelda Barstad

Trustee Land Office present:

Wyn Menefee
Craig Driver
Sarah Morrison
Aaron O'Quinn

Also present: Roy Scheller; Patrick Reinhart; Denise Daniello; Patrick Sidmore; Natasha Pineda; Kristin Vandergriff; Kathy Craft.

PROCEEDINGS

CHAIR MICHAEL calls the meeting to order and does a roll call. She states that Trustee Derr is on vacation, and Trustee Jones will be late. She moves to approval of the agenda.

TRUSTEE COOK makes a motion to approve the agenda.

TRUSTEE SELBY seconds.

MR. ABBOTT states that the external auditor, BDO, is not ready to present the draft audit today, and recommends the cancellation of the Audit and Risk Committee meeting this afternoon. He adds that staff will work with Chairman Derr to schedule another Audit Risk Committee meeting in Late November, early December.

CHAIR MICHAEL thanks Mr. Abbott and adds that there will be a break to take lunch from 12:15 to 1:15. She asks for any other changes to the agenda.

There being no objection, the motion is approved.

CHAIR MICHAEL states that the Guiding Principles are in the packet and asks for any ethics disclosures. There being none, she moves to the minutes for the August 3, August 17, August 24 and September 28th, 2017, meetings, and asks for a motion to approve.

TRUSTEE COOKE makes a motion to approve the minutes of the four meetings.

TRUSTEE SELBY seconds.

There being no objection, the motion is approved.

CHAIR MICHAEL states that the current bylaws are included in the packet. She invites Roy Scheller to the table, stating that Mr. Scheller is the executive director of Hope Community Resources, and will share a mission moment.

MISSION MOMENT

MR. SCHELLER states that at Hope there is an expression that magic moments can be fostered and developed and created through time. He continues that the Trust has sponsored and fostered and supported a magic moment for a young man named Travis, through the grant associated with assistive technology that helps him be more independent. In fact, assistive technology has entirely changed Travis' self-confidence and impacted his experience, medical challenges and loss of some skills. He was starting to lose his own voice of advocacy, and with that equipment he regained control of day-to-day living and has found his voice, his spirit, and is now actively involved in doing things throughout the state. He shares a video.

(Video played)

MR. SCHELLER states that the movement with assistive technology is being driven by the baby boomers who are retiring, aging and demanding more opportunity to stay home. He added that a full FTE was reduced to one person's plan of care by just the use of technology.

CHAIR MICHAEL asks how long the pilot project was and how long did it take to install all the features and figure them out.

MR SCHELLER replies that it took a while to begin doing a lot of assessment of what the necessary equipment needed would be. Then, data was collected for another six months that would allow the benefits to be identified and how much staff would be able to be reduced with the use of it.

CHAIR MICHAEL asks if this has been done in other homes now, and is it progressing, or is it still a pilot project.

MR. SCHELLER replies that it is a pilot project and that funding from the Trust was \$200,000 which will open this up statewide for people to be able to do. Travis has been showing people his home and the technology on a regular basis.

MR. REINHART states that some of the other agencies have some demos with clients in rural areas, and it is growing. The opportunity is there, not only for people with developmental disabilities, but also for the senior population. He added that it is one of the reasons why both the Commission on Aging and the Council got behind this, because it can benefit several different populations.

TRUSTEE COOKE asks if there is an estimate of the population whose lives and circumstances could be improved with assistive technology.

MR. SCHELLER replies that Hope supports about 800 people in different environments, and at least half of the people supported would benefit from some levels of technology. He adds that there are opportunities out there for microbusinesses, for other agencies to be able to identify how to help a person, put the equipment in and utilize it.

MS. BALDWIN-JOHNSON states that the process of the Home Map, which does a thorough evaluation of individual needs, technology needs, and then assists in creating some recommendations that the organizations are working with the individual.

MS. DANIELLO states that she is with the Commission on Aging and that the Home Map project has focused a lot on seniors, where the home mapper, assessor, going into a person's home and, through a process of interviewing the person and their family and then doing a surveillance to identify what types of rehab can be done in the home to reduce falls, improve comfort in navigating the home. Assistive technology will be incorporated to help that person to live more comfortably. She mentions people with cognitive impairments, with Alzheimer's disease. The Commission has been working with the Southeast Alaska Independent Living Center about incorporating or adapting the Home Map to be able to address those needs, as well. She thanks Hope for piloting this program and looking at how it can be used for seniors. She

continues that a lot of seniors, older people, are not tech savvy and it is very important that people are trained to use the equipment, the technology and to make sure that it is working properly. This is also important with someone who has increasing memory loss.

MR. REINHART explains that this process goes back quite a way. The Trust had originally put \$50,000 a year into this whole assistive technology piece. It was a few years ago that money was put into the project to expand it to include technology. He states that it was originally about the physical access and making the home accessible, and the technology part was added to it. He continues that the ultimate step will be to show that the installation of technology into the home will reduce expenses in terms of staff time, and if it is a justifiable expense under Medicaid and then becomes a win-win for all the populations that are being worked with.

MR. SCHELLER adds that his mother lives in Florida and remains independent. She wears a bracelet that will turn her stove off if she leaves for more than ten minutes from the stove. She is also reminded to take her meds by another piece of equipment. He continues that he is informed by his computer that she has opened the med case, and something has been removed from it. He states that looking at it as a way of increasing independence makes it a powerful opportunity.

CHAIR MICHAEL states her appreciation, and adds that it was very informative. She moves to the CEO update.

CEO UPDATE

MR. ABBOTT states that this is his first chance to speak to all and deliver the CEO report. He continues that he has been on the job for a little over two weeks and there is plenty to talk about. He begins with the clean set of charters. There are no substantive changes, and we are working with these as the final documents. They are also on the web. He moves to a short update on the ongoing special legislative audit. Staff has been working on several requests from the auditors. That information in response to their questions was sent last week, and there will be more coming. He continues that he spoke with the legislative auditor, Kris Curtis, and she stated that the audit will not be finished as soon as had been hoped. They now believe that the audit will be completed and delivered to the Legislature in March. He reports that steps have been taken to further integrate the communications efforts that have historically been separated between the Trust Land Office and the Trust Authority Office. Carley Lawrence will be actively supporting both teams going forward. Concrete examples should be a consolidated web page, annual report, and a coordinated and single social media presence for the entire Trust. He continues that they will be talking about whether there are enough resources to fully support both teams going forward in the coming months. He adds that the trustees should expect that the Trust will speak with a single voice on all issues. He thanks Trustees Michael and Cooke for joining the staff in Fairbanks last week. It was a great trip to help open the new sobering center that Tanana Chiefs Conference has started on a piece of Trust property. The Denardo building has been put into use as a facility that will support beneficiaries and the community generally. He adds that it was a great event and was actively supported by the mayor of the City of Fairbanks and a variety of community leaders. The opportunity was taken to get a tour of Fairbanks with another indication of the consolidated effort. He asks Mr. Menefee to give an update on the Southeast land exchange, the Constantine mine, and recent land sale activity.

TRUSTEE COOKE asks if the trustees will have an opportunity to respond to the audit report before it is finalized.

MR. ABBOTT replies yes. That process will start in late January, early February.

MR. MENEFEE began with the fall statewide land sale, which brought in approximately \$980,000. Some of that may increase the revenues as some may be paid over time. He moves to the parcels on the Spit in Homer. The best-interest decision has been sent out, and Homer also had their initial meeting on the ordinance. There will be one more meeting at the end of the month to approve it, which will complete that sale. He moves to the project in Haines which is a mineral project called the Palmer Project. Currently, the potential purchasing out of federal claims is being evaluated. The issue here is to try to increase revenues. He continues that staff is working with AIDEA as a joint partner to potentially see if they are interested in purchasing that. He moves to the U.S. Forest Service. He states that there was a meeting Monday with long negotiations about reducing costs around the posting and blazing issue and probably reduce their request by over half in length, which will reduce costs on that round. He adds, that is not a complete win in that some concessions had to be made, but it was still a reasonable outcome. He continues to the meetings in Cordova and Yakutat about the Icy Cape project, which were successful.

MR. ABBOTT asks Kelda Barstad, the newest program officer, to talk about the Medicaid Innovator Accelerator.

MS. BARSTAD begins with a short summary of her resume, and states that she is very excited with the opportunity working with the Trust. She states that the Innovation Accelerator program is established by the federal Medicare and Medicaid programs. It was started to look at innovative processes across states for a better Medicaid system. There are a variety of different programs established. The State of Alaska is participating in the one that has to do with pairing Medicaid services with housing. The housing and Medicaid systems traditionally have not worked closely together. There is the more recent recognition that housing is considered a healthcare intervention. In looking for good health outcomes, people must have stable housing. She continues that this is an opportunity for different states, including Alaska, to start to formally create partnerships between the housing agencies and the Medicaid agencies. She adds that a two-day workshop was completed with representatives from the Department of Health and Social Services, Alaska Housing Finance Corporation and those who provide housing and homeless services across the state, along with other service providers. This was an opportunity for people to get together and develop a goal to support tenancy for Medicaid recipients who need that housing. The goal established for Alaska is that in three years, through sustainable private and public partnerships, a pipeline will be established to provide permanent supportive housing for an additional 250 people who are most at risk. She states that this innovation program will establish formal partnerships; an action plan will be developed, as well as a services crosswalk; and a housing stock plan. She continues that all the different things are tools that the state can use to create better housing stock to make sure that services gaps are being filled so people can be supported in permanent supported housing.

CHAIR MICHAEL states that one of the challenges is figuring out the financing for these projects so that rents can be kept at an affordable rate for people.

MS. DANIELLO states that a few years ago the Governor's office kicked off the focus on housing. There were all kinds of components for that: rural housing; housing for people with disabilities; housing for seniors. She asks if there has been any collaboration with all those agencies that included the senior housing office with AHFC and Commission on Aging, and any others to be a part of this effort.

MS. BARSTAD replied yes, the Governor's office was represented and there was discussion about how those two groups should work together.

MR. ABBOTT states that he was in Juneau for several meetings and had the opportunity to talk to Pat Pitney, the OMB director, in a frank and open exchange of views on budgeting for the Trust, especially the administrative budgets, which are legislatively appropriated. The trustees have approved the proposed budgets which had been submitted after the September meetings. He continues that his expectation is that on December 15, when the Governor submits his proposed FY19 budget to the Legislature, it will include reductions to the Trust's administrative programs. He relates more of what was discussed. He moves on and states a timely and quick progress on the development of a lease for a portion of the Whittier Street building is being made. Juneau wants to put that into a warming center function for the winter of '17-'18. The lease is expected to be executed in the next week or so, making it possible to open December 1. He believes that the plan is to contract with Glory Hole to do the staffing of the warming center. The conversations on other Juneau properties did not go as well. The City and Borough of Juneau continues to believe that the Trust decision not to immediately sell the Subport property to a specific proposer is a bad choice. He communicated to them that because of the uncertainty over what is allowed on the proceeds from that sale, it would not be prudent for the Trust to execute a sale at this time. He moves back to the charters and officially requests the consent of the trustees in the appointment of Wyn Menefee as the executive director of the Trust Land Office. The charter for the chief executive officer requests that be done, and he strongly recommends it.

TRUSTEE SELBY makes a motion that the board concur in the appointment of Wyn Menefee as the executive director of Trust Land Office.

TRUSTEE JONES seconds.

A discussion ensues.

There being no objection, the motion is approved.

MR. WILLIAMS discussed the visit to Juneau, the warming center, and the Whittier property. Over the last several months the talk has been about how the Trust Land Office and the Trust Authority Office can work together with the communities to try and move forward the noncash assets, getting the properties in the plan to, when appropriate, move forward and merge with the beneficiary issues. He states that has been done in several different ways: the Housing First

model where the trustees acted to provide some funding for a homeless and housing coordinator, and now the Whittier building. He continues to highlight the two offices through staff are all working together in helping a community with an identified need come up with a solution where the Trust is an active participant in the solution as well.

CHAIR MICHAEL commends Mr. Williams and Mr. Menefee for their cooperation, leadership and commitment, and she thanks them. She states that their leadership was apparent in Fairbanks. She commended the staff on their efforts to get the whole program together.

TRUSTEE SELBY also commends the new CEO, as well as the senior staff, for figuring out the communications business and following the board's instruction on the perception in the state of Alaska of having one Trust. This is a significant statement for this organization to be moving ahead with that.

CHAIR MICHAEL appreciates the comments and states that it is a significant step even though it is just being commented on today. She moves to the committee reports beginning with the Finance Committee report.

FINANCE COMMITTEE REPORT

TRUSTEE SELBY begins with a deposit to the Permanent Fund.

TRUSTEE SELBY makes a motion, on behalf of the Finance Committee, that the board of trustees approve the transfer of \$5 million in cash principal from the Trust Authority Development Account, 3320, to the Alaska Permanent Fund Corporation account through November 2018.

TRUSTEE JONES seconds.

TRUSTEE SELBY explains that staff was asked to go back and check some figures because some questions have come up. That was done, and there is a little over \$24 million in the TADA funds that are available. Staff showed the commitments and anticipated obligations that are going to take at least \$14 million of that, which would leave about \$8.3 million. The Finance Committee discussed this and decided to make a significant deposit of that money which will leave about \$3.3 million in a contingency for unforeseen things that may come up during the year.

TRUSTEE JONES states that he thinks this indicates confidence in the Permanent Fund and their ability to continue to manage Trust cash assets. This deposit is very appropriate.

CHAIR MICHAEL asks for any objections.

There being no objection, the motion is approved.

TRUSTEE SELBY states that there was a discussion about the \$5 million that was shown on the budget report that was reviewed at the last meeting in terms of inflation-proofing of the funds in the Permanent Fund. He asks Mr. Stemp to continue.

MR. STEMPEL states that he was asked to go back and revisit the calculations previously presented to the trustees, and to consider the impacts of the most recent year's inflation-published data using the Consumer Price Index for Anchorage. There was a lot of thought and discussion on this topic because there are some elements there where it becomes difficult to come to the trustees with a single number for the impact. He goes through some subtleties that are important to look at. He continues that using the information that is published and the resources available when this calculation was developed is an informational item for consideration.

TRUSTEE SELBY explains that the question Trustee Derr had brought up was clearing that \$5 million as an inflation-proofing reserve in the budget report and what does that really mean. He states that there is no action here, but we can go ahead and discuss the significant amounts of other reserves.

TRUSTEE COOKE states that this would be appropriate to discuss at the January meeting in Juneau with the Permanent Fund folks.

CHAIR MICHAEL thanks Trustee Selby and calls a short break.

(Break.)

CHAIR MICHAEL calls the meeting back to order.

MR. MENEFEE introduces the newest staff member, Becky Chandler, executive assistant.

FY18 APPROVALS

CHAIR MICHAEL welcomes Ms. Chandler and moves to the FY18 approvals. The first is a focus area allocation, beneficiary employment and engagement, HCBS contract support.

TRUSTEE SELBY makes a motion that the Full Board of Trustees approve \$200,000 from FY18 beneficiary employment and engagement focus area for 2018-'19 contractual services to support the Trust and SDS for implementing SB74 and CMS rules as it relates to the long-term services and supports.

TRUSTEE JONES seconds.

MS. BALDWIN-JOHNSON states that this request was brought forward at the last Finance Committee meeting. This is the second year of a three-year contract with Home- and Community-Based Strategies. It is a sole-source contract, and the first year is winding down. This is an approval for the second year of funding for that contract. At the last meeting it was brought up that this contract is supporting elements of Medicaid reform as it relates to home- and community-based services, and Trustee Derr had requested more detail connected to the scope of

the contract. She clarifies that it is 100 percent of these funds for contractual services to the recommendation.

CHAIR MICHAEL asks for any objections.

There being no objection, the motion is approved.

CHAIR MICHAEL states that the next item is the Juneau Trauma Informed School pilot project.

TRUSTEE SELBY makes a motion that the Full Board of Trustees approve using \$40,000 in DHSS funding for authority grant to the Juneau Community Foundation for the Trauma Informed School Pilot Project.

TRUSTEE JONES seconds.

MS. JOHNSON states that the funding request is to use pass-through funding from the Department of Health and Social Services, Division of Behavioral Health to support contract and capital costs to implement a two-year pilot to include student health and practice using trauma-informed practice in the school setting in Juneau schools. The funding will be pooled with other funding from the Trust, the Juneau School District, the Mental Health Board, the Juneau Community Foundation, and others, and will contract with Washington State University to support trauma-informed school development. Additional funding is anticipated from the Rasmuson Foundation and Premera. She continues that this contract will support the CLEAR model, which stands for a Collaborative Learning for Educational Achievement and Resilience, to community needs of Alaska students. She adds that lessons from the pilot will be diffused throughout the district throughout the project period during the three years, and funding for sustainability and spread is developed as positive outcomes for students in schools.

A brief discussion and clarification of the funding ensues.

There being no objection, the motion is approved.

TRUST FINANCIAL PICTURE 101

CHAIR MICHAEL states that next is the Trust financial picture, and asks Mr. Stemp to begin.

MR. STEMPE begins his presentation stating that there are about seven categories to the Trust that he will talk about. There two dominant legs: the settlement land position, and the portfolio at Permanent Fund. Then, the real estate management program; the reserves at Alaska Permanent Fund, the Department of Revenue and the treasury side of things, and the Program-Related Investments and the Trust Development Account. He goes through his presentation, explaining as he goes along. He talks about the Trust portfolio which he considers cash assets, and the lands are noncash assets. They are equally important to the future of the Trust and the people served.

TRUSTEE SELBY states that a study was done that recommended four years of programmatic operations in reserve so that if there is a shortage of earnings the same level of beneficiary programs would continue to deliver services. He asks for more information on that.

MR. STEMPE explains that the concept of the reserves is to have some independence and ability to sustain a stable level of funding year after year. That would give the time to ride out any underlying market performance if things were in a downturn. The reserves could be looked at to fill in any earnings shortfall and continue the stability.

A discussion ensues.

TRUSTEE JONES states that he is impressed at how quickly Mr. Stemp has come up to speed in understanding the complex structure of the Trust finances.

TRUSTEE COOKE states appreciation for the presentation.

MR. MENEFEE continues and states that it is a challenge to put a value on the land. During the settlement and replacement land effort there was a valuation process, but it was not a full-out appraisal of the land. He adds that even when looking at the GASB accounting principles, it is challenging because there is an arbitrary figure that goes on a per-acre amount. It would also be very expensive.

TRUSTEE EASLEY asks about the Program-Related Investments and if there is any kind of formula that helps balance that out to see what is a good PRI balanced project.

MR. O'QUINN replies that in the past the operating cost of an existing asset was looked at to see how the costs can be eliminated first. He states that he would work with the program office to determine the biggest impact to beneficiaries.

MR. MENEFEE gives an overview and then takes the trustees through more detail on the Trust Land Office side revenues. He focuses on the real estate management program, stating that the goal is to increase, over time, the amount of income that comes from the Trust Land Office; specifically, the spendable income in addition to principal.

A discussion on the revenues ensues.

MR. MENEFEE states that the land is managed in a few different ways, but primarily either proactively or reactively. Reactive is waiting for an application that somebody brings in for the land. Proactive is going out and doing something to improve the parcel by improving its value, and then market it to sell or lease. He continues that there are seven asset classes: the land; minerals and materials; the forestry asset; investments; program-related real estate; energy; and mitigation market. He explains these in greater detail, and then discusses the investments and real estate.

CHAIR MICHAEL asks for any questions.

TRUSTEE JONES states, for the record, that obtaining financing has been a subject of a lot of questions from external parties. He asks for an explanation of what the benefit of that is, and under what very specific conditions that would be considered.

MR. MENEFEE explains that, essentially, the amount of investment is being diminished, so the cost/benefit ratio of the amount of actual Trust money that is being spent is evaluated to the amount of income coming back increases when the bank essentially is carrying part of the investment. He states that the risk is that you will not go into debt to the bank. It is as if the tenants are paying the bank loan back. Then the cost/benefit ratio increases favorably because there was less invested for the same amount of return.

MR. DRIVER adds that there would be the risk mitigation of multiple markets or multiple properties in the spread; more money over more properties than could be received by putting it all into one property, paying cash. The risk is further mitigated by the fact that these are nonrecourse loans. If everything goes haywire and the property does not perform, those loans do not impact the overall Trust. The only thing at risk would be the principal that was invested in those properties. In looking at the current returns, some of them have been paid back in full over the course of the ownership period, and the income has been given to the Trust. He points out that great lengths are gone through to value the properties on an annual basis. That is done for accounting purposes, as well as reporting purposes. The information is highlighted in the annual report, as well as the quarterly reports. Those figures are broken out very detailed and can be incorporated into any presentations that are given at the Legislature or any other venue.

CHAIR MICHAEL asks Mr. Driver to review how oversight is provided to the property managers who manage Trust properties.

MR. DRIVER replies that a high level of oversight on the daily operations of the parcels or the properties is maintained. These properties are located in Alaska, Utah, Texas, and Washington. During the course of those internal audit procedures, which include review, a sampling of invoices, others are also implemented. A lot of time and effort is spent maintaining those relationships, maintaining the properties, and protecting the value of those properties.

CHAIR MICHAEL thanks Mr. Menefee and moves to the ad hoc Trust statutes presentation. She recognizes Trustee Jones.

AD HOC TRUSTEE STATUTES PRESENTATION

TRUSTEE JONES states that during the committee meetings, in accordance with the bylaws, the Chair created a new ad hoc or temporary legislative and audit committee, and asked him to chair it. The membership includes Chair Michael, Trustee Derr and himself. The purpose of the committee is to, on behalf of the board of trustees, work with the staff and the LB&A staff to bring about the current ongoing legislative audit to an early and successful conclusion, and to work with the Trust staff and the Legislature to craft legislation that will clarify and strengthen the Trust responsibilities and standards with respect to applying Trust management against principal assets. The committee met to assess its mission and work on a plan of action. As a result, the staff is working on the reports now for the status of the audit. He continues that he has

great confidence that the senior staff group, from both the Trust and the TLO, has a good handle on where we are with the audit, and has developed a relationship with the LB&A staff that will be beneficial to the Trust. He adds that the Legislature is going to do what they want, and the Trust needs to be prepared for that process. The intent is to provide the Legislature with information, guidance, statistics, whatever is needed to make sure that there is a clear understanding of the processes that were just described. Acknowledged was that the current statutes are less than clear on how many of the activities are to be funded, and we believe that the very direct and overriding responsibilities of the Trust laid out in statutes require the protection and growth of the corpus of the Trust. He states that, in order to do this, it is in the best interest of the beneficiaries and the Trust to amend the statutes to make it clear that the Trust is expected to pursue activities that stabilize the income, grow the corpus, and provide security in the value of the corpus.

TRUSTEE JONES makes a motion that the trustees direct the CEO to work with the legislative and audit committee to take steps immediately to work on statutory changes to: Clarify the board's authority to utilize Trust assets and the proceeds derived from those assets in the best interests of the beneficiaries; maintain the Trust Authority to follow the prudent investment principles to generate maximum revenue consistent with appropriate risk management practices; strengthen guidance to both the Trust and the Trust Land Office on allowable revenue-generating strategies; consult with the Trust's statutory advisory boards and departmental advisers to determine strategies that maximize positive impacts affecting the mission of the Trust from asset management and investment activities.

TRUSTEE SELBY seconds.

MR. ABBOTT strongly recommends approval of this motion. He states that there is significant legislative interest in working on this issue sooner than later.

There being no objection, the motion is approved.

CHAIR MICHAEL breaks for lunch.

(Lunch break.)

CHAIR MICHAEL welcomes everyone back and states that Natasha Pineda is here to talk about the healthcare authority.

HEALTH CARE AUTHORITY

MS. PINEDA states that she works with the Department of Administration and is the deputy health official with the Division of Retirement and Benefits. She continues that legislation was passed in 2006, SB 74, which included a provision that required the Department of Administration to procure a study about the feasibility of a healthcare authority. She goes through a list of the different things that were required to be looked at. It was a very large task in that the legislation laid out a requirement to not only look at the lives and dollars being spent on the Medicaid program, but also all public employees included in the state: the retirees;

employees in other health trusts; ASEA; PSEA; Master, Mates and Pilots, Local 71; and every union health trust. Also required were the University, local municipalities, the school districts, and any other entity that might be able to participate through a government-managed healthcare authority. She continues that the goal was to look and see if there was an opportunity to create savings through efficiencies. The study was broken down into two avenues: one was consolidate purchasing which left the administration the same; and the other was consolidating administration, which requires a lot of change. She adds that the study was challenging for several reasons. The biggest issue is that most people are looking for an easy fix for healthcare, and there is no easy fix or simple solution. She states that there is no definition for what a healthcare authority is. So just that definition is pretty challenging, and also the magnitude of the covered lives and dollars contemplated by the study. She continues that she was not part of the development of the RFP, but shares that once the legislation passed and an interdepartmental team was formed, regular meetings began. There was a lot of support and guidance from all of the participating entities in the review of drafts, the selection of consultants and all of that. She states that there are four contractors for the study: PRM Consulting was first and was the entity that focused most on the employer benefits portion; next was Mark Foster from Mark Foster Associates provided peer review and Alaska-specific market analysis prior to any drafts going out; then, Pacific Health Policy Group Consulting came on to provide some basic information and overview of opportunities within the Medicaid program; fourth is Agnew::Beck. There is a public comment process, and Agnew::Beck is helping put together an addendum that should be released in four weeks. She adds that public comment was extended to November 13. A final report is expected during the first two weeks of December. She continues her slide presentation, explaining the costs of care as she went along. She states that next year as more work continues around health care there will be a need to increase the health literacy levels. She goes over the report, beginning with the survey with 227 entities around the state. This survey took somewhere between two to five hours, depending on the complexity of the benefits offered. They were able to get 84 percent of benefit-eligible employees to participate. It was a good survey which provided excellent information that was used to conduct the actuarial analysis necessary for the contractor to make some recommendations. She explains that actuarial value is, essentially, the amount the plan will pay versus the amount the individual will pay. She states that purchasing consolidation does exist across different public employee health plans. She continues that the recommendation PRM focused on was Oregon's Model No. 2 which seemed the most beneficial because they require public employees and teachers to participate. She adds that the recommendation is for a health authority with three pools: one for state retirees; one for school districts; and one that includes the state union health trusts and other political subdivisions. Mandatory participation was recommended using rates equal to the current rates. She states that the Mark Foster report takes the conservative estimates of PRM and amps them up and says "what if things are actually changed." He also recommended a healthcare authority with the difference being that there should be an opt-out option with strict rules if an entity could purchase a better plan deal and could do a better job. The Pacific Health Policy Group looked at the data to provide an overview of the Medicaid program with the data book information that is available. They took the data and consolidated it; identified information; and that enrollment was growing rapidly. They provided three ideas about how a structure could move forward. One could be informal interdepartmental collaboration; more formal requirements about how to purchase and work together; and third was a more formal consolidated healthcare authority. She states that all the healthcare plans are administered by a commissioner. The strategic positions

are going to shift and change over time, and having the authority where there is some separation between political decision-making and the needs of employees would be ideal. She thanks the Trust for providing public comment, and urges the continued participation in the comprehensive healthcare planning that is underway.

A question-and-answer discussion ensued.

CHAIR MICHAEL thanks Ms. Pineda and states that the next item on the agenda is the Program & Planning Committee report.

PROGRAM & PLANNING COMMITTEE REPORT

MR. BALDWIN begins with an update on the activities around FAS and FASD. The Trust has supported a lot of activities, as well as participated with many of the key partners on regulations and systems- and policy-related things. He highlights two of the Trust's partners, beginning with the Governor's Council. He states that they have been a big partner with their FASD working group. He continues that the Alaska Mental Health Board has also been a key partner in some of these activities through the work of Teri Tibbett and the Alaska FASD partnership. He adds that it is exciting to see that the focus on FAS is becoming more active and resurgent in the interest and advocacy around it. He states that the Governor's Council is working on developing a five-year plan for FASD. They have been gathering information and input and have brought a number of key stakeholders together to develop a plan that is currently in process.

MR. REINHART adds that it is in the editorial stage, and there should be a final product pretty soon.

MR. BALDWIN states that will be shared when complete. He continues that another activity is related to the Division of Behavioral Health. They help coordinate the FASD diagnostic teams and have some money that helps coordinate those activities, as well as some interventions and prevention. He adds that recently the staff at DBH that were connected with FASD got brought into the newly developed Office of Substance Misuse and Prevention, the House Map. More will be heard about that down the road. They are focused on the opioid epidemic and thought it was important to also pull together some other substance- and alcohol-related kinds of prevention activities. He states that prevention is very important; the five-year plan and the new interest with DBH or the House Map program are very interested in delving more deeply into prevention activity. Another exciting piece about the House Map is that, since 2001, there have been diagnostic teams around the state. Currently, there are seven who are actively presenting and are in the process of doing data archeology and pulling together information. There will be better prevalence information. Presently, the prevalence information is a tad dated for a variety of reasons, and the closest program is PRAMS, which is a health participation with the CDC. They survey a sample of women who deliver live births and are asked questions about prenatal alcohol exposure. He goes through the survey, explaining as he goes along. He mentions the Alaska Center for FASD, a nonprofit entity to help coordinate a lot of the statewide efforts around FASD, and asks Carley Lawrence to continue.

MS. LAWRENCE gives a brief overview of the Empowering Hope group, which has a two-prong approach. One was the pregnancy dispenser kit study, which was concluded two years ago. There is information in the packet about the results. The other approach was the media campaign to increase awareness and understanding of FASD. That money was distributed through the Legislature, and the trustees have seen the materials produced. She states that one of the things found in the planning of the media campaign was the misconceptions of Alaska women with regards to the use of alcohol during pregnancy. The three main misconceptions were the types of alcohol that were considered safe, the times during pregnancy when alcohol is considered safe or safer, and then the amount of alcohol that is considered safe. She continues that a goal was developed to help dispel these misperceptions around FASDs and educate women that there is no safe amount, no safe time, and there is no safe type of alcohol to use during pregnancy. In the last two years, throughout the campaign, a long-format video was developed and shared with the Trust and the Senate Finance Committee. She adds that also developed was a lot of Web site content, Facebook, digital ads, television spots, and radio public service announcements that were distributed throughout the state. She states that this past spring and summer, after the conclusion of the media, more focus groups were conducted providing qualitative and quantitative research to better understand the results of the campaign. The findings from the focus groups were that a majority of the women had seen the messages on the dangers of drinking while pregnant. But participants also expressed an ongoing interest in seeing and learning more. The long-form video received over 85,000 views; 60,000 Alaskans acted on social media and shared it. The impressions were that over a million Alaskans saw the ads, and there were over 4,000 clicks on the Web site. The quantitative results showed that the misconceptions are still out there, and there is still lot of education to be done. She states that in moving forward, the media placement of the existing ads will continue. We are going to expand social media to include Instagram, which a lot of the target audience uses.

CHAIR MICHAEL asks for any questions. She thanks Ms. Lawrence and states that it is good to see that there is some benefit to people seeing the information and that it is impacting how they feel about it. It is a huge issue because it is 100 percent preventable. She hopes that it will resonate with people. She asks for any other comments or questions. There being none, she calls a 15-minute break.

(Break.)

CHAIR MICHAEL calls the meeting back to order, and recognizes Denise Daniello.

STATUTORY ADVISOR UPDATES

MS. DANIELLO states that she is the executive director for the Alaska Commission on Aging. She continues that it is her pleasure to let all know that Governor Walker has recognized November 2017 as Alzheimer's Disease Awareness Month, and there is also a caregiver's month. She adds that her presentation will focus on the preliminary findings for 2016 of the Alaska Behavioral Risk Factor Survey perceived cognitive impairment; and, to some extent, comparing these findings with the findings that were gathered in 2013, which was the first year that Alaska had the findings for perceived cognitive impairment. She continues that these findings are important because they provide Alaska-specific data about people who experience

increasing memory loss and confusion, which is defined as perceived cognitive impairment. These findings also address one of the recommendations from Alaska's road map to address Alzheimer's disease and related dementia, which is Alaska's first and only state plan to address the needs of people living with dementia. She thanks the Trust for being a partner on the road map project, as well as the BRFSS PCI project. She states that one of those recommendations is to gather health outcome data for people with cognitive impairment to find out what their needs are. She takes a few minutes to review the estimates of Alaskans with Alzheimer's disease, which were developed by the National Alzheimer's Association. They develop estimates specific for each state. These estimates are for people age 65 and older. She continues that advanced age is the greatest risk factor for developing Alzheimer's disease, but Alzheimer's disease is not a normal part of aging. There are actually many risk factors having to do with cardiovascular health, traumatic brain injury, living with diabetes, prolonged depression, hearing loss, social isolation, low socioeconomic status. She adds that Alaska is the state with the fastest-growing senior population, and now also holds the distinction of being the state with the fastest growing projected percentage prevalence of Alzheimer's disease, 54.9 percent. She moves on to the Behavioral Risk Factor Surveillance System or the BRFSS. It is basically a system of health-related surveillance surveys that are done by phone and used to collect information from all residents in the U.S. about their health-perceived behaviors, about their chronic health conditions, and their use of preventative services. This system was established in 1984 and currently collects about 400,000 interviews. She adds that this information is all self-reported data and not intended to be any kind of assessment. It is used to gather information from individuals about the leading causes of death. She continues that a core set of questions are asked every year or every other year. She talks about the perceived cognitive impairment module, which is an optional model. The purpose of this is to find out how this condition of increasing memory loss and confusion affects people, and also provides a means to assess the current or future needs of people with this condition, and to provide data in order to help initiate activities to promote healthy behaviors. She goes through the numbers for 2016 and 2013; and then moves to the list of six questions that are part of this module, in greater detail. She continues her presentation, explaining as she goes along .

A short question-and-answer period ensues.

MS. DANIELLO mentions that, this year the Division of Public Health is implementing the caregiver module. This was done at the Commission on Aging's request and with support from the Trust and the National Alzheimer's Association to see what kind of care natural caregivers are providing for their families and loved ones. The purpose of this is to understand what the needs of caregivers are and how it affects them emotionally, physically, financially, and especially with regards to their own health outcomes. She wraps up with some information about activities being worked on. The senior benefits listening session that was sponsored by the House Health and Social Services Committee was on September 28. It was held as an interim measure in preparation for House Bill 236, which is the senior benefits bill to extend the authorization date for the senior benefits program because there is no legislation to extend the sunset. The senior benefits will go away on June 30, 2018. There was a great outpouring of testifiers who came and shared their stories. She explains this in more detail, and then talks about the challenges of finding healthcare providers who would accept their Medicare insurance because of the low reimbursement rates. She moves to the comments about the proposed

healthcare authority. She states that their recommendations were made within the context of State of Alaska retirees, and agreed with the benefits of consolidating purchasing agreements and planning for the health care authority. Also recommended was that the healthcare authority look at implementing comprehensive health and wellness services as part of the insurance for employees. She continues that something that was not covered in any of the studies was that there should be attention paid to modernizing the state's long-term care insurance plan. Also recommended in the comments was that the new healthcare Retiree Advisory Board is looking for applications from people who want to serve on the retiree advisory boards until December 1. She adds that their meeting is scheduled for Tuesday, December 12th, and invites all to the meeting.

CHAIR MICHAEL thanks Ms. Daniello and asks for any questions. Hearing none, she recognizes Patrick Reinhart.

GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION

MR. REINHART states that he is executive director of Governor's Council on Disabilities and Special Education and introduces Kristin Vandagriff, their planner. He shares that they have 25 council members from all over the state. There is also one vacancy, which the Governor is about to fill. He adds that the next council meeting is January 30-February 1 in Juneau, and invites any trustee to participate in that meeting. He briefly talks about a state plan booklet which, hopefully, will be done by January.

MS. VANDAGRIFF states that there are five main goals of the current state five-year plan, and we are currently in the second year of that plan. She thanks the Trust for their support of the handbook; it made a difference. She moves on and talks about the outcome survey. She continues on to the third annual Disability and Aging Summit which had a strong focus on supported decision-making. The keynote was Dr. Shogren. There was a huge spike in attendance compared to the previous two years. She continued on with a quick update of the Developmental Disabilities Committee and the state plan amendment that was approved by the Administration of Community Living. It is moving forward. She adds that they are trying to get out to a lot of different agencies to make sure they really understand the key concepts of supported decision-making because it is a different concept in Alaska where we have full guardianship. She states that the Developmental Facility Committee is to work the IDEA registry. Currently, there are 724 people on that registry, 300 of which are going to be offered the possibility of the individualized support waiver. She talks about employment and continuing forward with Project Search Expansion. She goes through the handbook and encourages folks to take a look at that.

MR. REINHART moves to the Education Committee update stating that it is the state employment advisory panel. There have been some good conversations going on with the Department of Education and with Commissioner Johnson, developing a good relationship there. He mentions that Commissioner Johnson invited David Kohler to be part of the statewide leadership team, which meets once a month. He states that the FASD work group had an FASD awareness event in Anchorage. The proclamation was read at the library by Kevin Meyer. He continues that the Early Intervention Committee oversees the infant ladder program through

the advisory board. There is this universal screening developmental task force which is a big effort. Then, the Autism ad hoc update has the ECHO program going on. It is like a realtime multidisciplinary virtual learning network of healthcare providers who get together on a regular basis via the contact Zoom platform. He adds that there are now two pediatric neurodevelopmental specialists in Alaska: one at Providence, and one at Southcentral Foundation. He states that a lot of emphasis and energy has been put into the regulations around Applied Behavioral Analysis. It has been a multi-year effort to get the ABA covered by Medicaid. Those went out from public comment with a lot of issues and concerns about failing the first eligibility requirement that the department put forward, that any other treatment had to fail before availing ABA. There were no codes for professionally required supervision, which is a requirement of behavior analysts. He states that these were some things that were shared by multiple entities, and now we are waiting for what comes out after that.

CHAIR MICHAEL asks for any questions. There being none, she thanks them and recognizes Patrick Sidmore, the interim executive director.

ALASKA MENTAL HEALTH BOARD AND ABADA

MR. SIDMORE states that they have been through the second round of interviews and are now checking references for a new executive director. He talks about brain stress, trauma and adverse childhood experiences. He continues that with PET scan pictures, the new technology, brain trauma can actually be seen. He adds that the brain is being built through life and it is important to know that the wiring of the brain can be changed at any point, although it does get harder. It is a huge strength to humans to be able to adapt to their environment. He moves on to stress and states that first is positive stress, which helps people perform. The next level is tolerable stress, and then there is the toxic level of stress. This is when a child or adult is exposed to perpetual stress. The natural reaction in the body changes the way the brain is wired and changes the stress response. He continues that after a stressful experience there is a need to get back to a balance. He talks about the different ways that can be done, and then continues with the original ACEs study. He focuses on the adverse childhood experiences scores and talks about the stress of being born to a home where there are adverse experiences, toxic levels of stress, which leads to neurobiological changes. This leads to a different ability to judge danger than a child who has not experienced ACEs. That is adaptive and a huge strength for them to be able to have because that is what kept them alive. He continues that the more adverse the childhood experiences, the more stress, the more likely it is that they attempted suicide. He goes through some of the Alaska data on adult responses and then talks about some population attributable risks from Alaskan adults or Alaskan children or from other adult studies that show the population-attributable risk. He then moves to some mental health scores, and shows some population-attributable risks from Alaskan adults or Alaskan children or from other adult studies that show the population attributable risk. He states that there is more research coming out about dementia and adverse childhood experiences, and the thought is that it is related to inflammation that occurs as a result of emotional trauma. He talks about the Duke study that self-regulation serves as a foundation of lifelong functioning. It can be learned, and is about managing emotions and cognition. He continues that co-regulation is essential to how we manage and develop the skills to self-regulate. This can also be taught. He hands out ACE cards. There is a factoid on them on the Web site. He states that James Heckman, a Nobel-prize-winning economist from

the University of Chicago, studied early intervention and this is his model. The way to read this is to invest prenatally, everything above the line makes money; then there is a payback that is more than what was invested. He adds that at every point around the cycle there are programs and people trying to intervene to break the cycle.

CHAIR MICHAEL asks for any questions, and then calls a 15-minutes recess.

(Break.)

CHAIR MICHAEL calls everyone back to the table and begins the public comment period. She states that there is no one signed up in Anchorage or present for public comment. She asks if there is anyone on-line that would like to give public comment.

TRUSTEE COOKE makes a motion to adjourn the meeting.

TRUSTEE JONES seconds.

There being no objection, the motion is approved.

(Alaska Mental Health Trust Authority Full Board meeting adjourned at 4:46 p.m.)