

Employer Health Care Alliance Cooperative

Annual Meeting Minutes | September 16, 2021

CALL TO ORDER

Alliance Board Chair Diana Clark called the meeting to order via web conference.

APPROVAL OF MINUTES

The membership approved the minutes from the October 1, 2020, Annual Meeting via the webinar's poll function.

BOARD REMARKS AND ELECTION RESULTS

Ms. Clark welcomed the nearly 50 employer members that joined The Alliance since the fiscal year ended on May 31, 2020. She then announced the results of the board election, which was conducted electronically prior to the meeting. The following candidates were elected by the membership:

- Brad Olm, Gordon Flesch Company (full term through 2024)
- Jake Nolin, Rice Lake Weighing Systems (full term through 2024)
- Shirley Reif, Crest Foods Company (full term through 2024)
- John Stephens, WPS Health Solutions (full term through 2024)
- Dan Ludwig, Brakebush Brothers, Inc. (filling vacant seat through 2023)
- Wendy Whitehead, Kwik Trip, Inc. (filling vacant seat through 2022)

Ms. Clark recognized outgoing board member Wendy Culver, Chief Human Resources Officer for Mead & Hunt, for her board service. Ms. Culver has served on the board since 2008 and was board chair in 2017, 2018, and 2020.

TREASURER'S REPORT

Paul Meyer, Board Treasurer and Chief Operating Officer, presented the financial results for fiscal year 2021. He noted that the balance sheet remains strong despite economic challenges caused by the COVID-19 pandemic. Net proceeds after taxes for FY21 came in at \$1.7 million on \$9.2 million in revenue and operating expenses of \$7.5 million. Revenue was driven by medical utilization rebounding faster than expected and forgiveness of a \$775,000 PPP loan.

Mr. Meyer noted that, as a cooperative, net proceeds are returned to members in the form of cash and allocated equity. For FY21, the board approved returning 43% of net proceeds to members in cash, with 57% remaining on The Alliance's books as allocated equity.

Mr. Meyer explained that a significant change to The Alliance's pricing structure is being implemented that will result in a more sustainable business model. Under the prior pricing structure, revenue was driven by savings and higher utilization; however, this was at odds with our investment in and promotion of strategies to lower costs which, if successful, result in a reduction in revenue. Under the new pricing structure, the per employee per month access fee is higher, while the retainage fee is lower and no longer capped.

CEO'S REMARKS

Ms. DeMars recognized Paul Meyer, who will be retiring in June 2022 after 25 years at The Alliance.

Ms. DeMars spoke about her optimism for the future in which she foresees real progress on health care transparency, increased boldness among employers who are utilizing best available information to encourage the use of high value providers, and a growing number of innovative providers who are offering high quality care and a better patient experience at lower prices. She noted we are also making connections with state and federal lawmakers who are interested in hearing from the employers in their districts.

Ms. DeMars announced that Northcentral Employers Healthcare Alliance (NEHA), a sister coalition in the Wausau market, decided to join forces under the umbrella of The Alliance beginning January 1, 2022. She welcomed the NEHA employers who are joining The Alliance and acknowledged those assisting with the transition.

ADJOURNMENT

There being no other business, the meeting adjourned. An educational session followed the meeting.

Prepared by Wendy Collins, Board Secretary