



The Sequoia Project, Inc.

Board of Directors Meeting

January 28, 2021 (3:00 – 4:30 pm ET)

<https://www.gotomeet.me/SequoiaExec>

Conference #: 646.749.3112, Passcode: 714415037#

Participants

		Organization / Representation
Board Directors	Lee Barrett	EHNAC
	Nancy Beavin	Humana
	Rita Bowen	MRO
	Charles DeShazer, MD	Highmark Health
	Jamie Ferguson	Kaiser Permanente
	Michael Hodgkins, MD	AMA
	David Horrocks	CRISP, Treasurer
	John Kansky	IHIE, Secretary
	Shannah Koss	LivPact
	Rob Klootwyk	Epic
	Steven Lane, MD	Sutter Health, Chair
	Michael Matthews	The Badger Group, Immediate Past Chair
	Paul Matthews	OCHIN
	Aaron Miri	Dell Medical School & UT Health Austin
	Consumer Representative	Open
Paul Uhrig	Representing Surescripts	
Government Liaisons	Jeffrey Anderson, MD	VHA
	Steve Bounds	SSA
	Jeffrey Ford	DOD
	Jude Soundararajan	SSA
Sequoia Staff / Invited Subject Matter Experts	Steve Gravely	Gravely Group and Sequoia Legal Counsel
	Shawna Hembree	Program Manager, Sequoia
	Mariann Yeager	CEO, Sequoia

Agenda

<p>3:00-3:30 pm</p>	<p>Call to Order</p>
	<p>Establish Quorum</p>
	<p>Review Agenda</p>
	<p>New Business</p>
	<p>Meeting Minutes [APPROVE] Attachment #1 – December 17, 2020 Meeting Minutes</p>
	<p>Treasurer’s Report November Financials [APPROVE] Attachment #2 – November 2020 Narrative and Financial Statements 2021 Budget [APPROVE] - Attachment #3 – Final Draft 2021 Budget - Modifications 2021 Budget were reviewed by Finance Committee 1/6/2021</p>
<p>3:30 - 3:40 pm</p>	<p>CEO Annual Performance Review Status Update [INFORM] CEO Performance Review Committee met and reviewed the CEO’s performance in accordance with the 2020 goals. <u>Committee Members</u> - Steven Lane – Board Chair - Matthew Eisenberg – Board Vice Chair - David Horrocks – Board Treasurer - John Kansky – Board Secretary - Michael Matthews – Immediate Past Chair - Michael Hodgkins – Leadership Council Co-chair - Bill Howard - eHealth Exchange Board Chair - Seth Selkow – Carequality Board Chair <u>Status</u> - Self-evaluation and Committee review completed - Updated 2021 CEO goals with align with organizational goals - Complete review this week - Revisit organizational goals as part of strategic planning process</p>

<p>3:40 – 4:00 pm</p>	<p>Governance Committee Report [ADVISE]</p> <p><u>Board Officer Elections</u></p> <ul style="list-style-type: none"> - Governance Committee reviewed draft board officer election policy 1/25, which addresses: <ul style="list-style-type: none"> o Officer qualifications (e.g. must be a board director) o Role of non-voting immediate past chair o Terms and term limits o Board officer election process o Succession - Revising policy based upon committee input - Governance Committee approval to be facilitated via e-mail - Facilitate next steps with board officer nominations <p><u>Governance Committee Work Plan (Feb-Apr 2021)</u></p> <ul style="list-style-type: none"> - Review and input regarding Confidentiality and Board Officer Obligations policies - Define stakeholder groups represented in Sequoia membership and board (e.g., providers, health plan, vendors, SDOs, consumers, etc.) - Schedule other meetings on ad hoc basis as needed
<p>4:00 – 4:30 pm</p>	<p>Sequoia Strategic Planning Process [ADVISE]</p> <ul style="list-style-type: none"> - Sequoia goals presented to board in Oct 2020 and approved in Dec 2020 - Need to further refine strategic direction and priorities in light of Sequoia progress and ever-changing dynamics - Take into account potential risks / strategies to RCE work given change in administration - Seek volunteers to serve on Strategic Planning Committee (board members and others as appropriate) - Next Steps <ul style="list-style-type: none"> o Review of Sequoia progress to date o SWOT analysis o Identify strategic priorities o Enlist input from membership / other stakeholders as appropriate o Kickoff in Feb/Mar 2021
<p>4:30pm</p>	<p>Meeting Schedule & Adjourn</p> <ul style="list-style-type: none"> - 2/3/2021 (2:00-3:00 pm): Finance Committee - 2/18/2021 (2:00-3:00 pm): Executive Committee (to be rescheduled) - Governance Committee: (to be scheduled Feb-Apr, then ad hoc) - Strategic Planning Committee: kickoff to be scheduled



**Attachment #1: Board of Directors Meeting Minutes
December 17, 2020**

Meeting Participants

Sequoia Board Members	Government Liaisons
<ul style="list-style-type: none"> ✓ Nancy Beavin, Humana ✓ Rita Bowen, MRO ✓ Matt Eisenberg, MD, Stanford, Board Vice Chair ✓ Jamie Ferguson, KP ✓ Michael Hodgkins, MD, AMA ✓ David Horrocks, CRISP, Board Treasurer ✓ John Kansky, IHIE, Board Secretary ✓ Anne Kimbol, HITRUST Alliance ✓ Rob Klootwyk, Epic ✓ Shannah Koss, LivPact ✓ Steven Lane, MD, Sutter Health, Board Chair ✓ Michael Matthews, Immediate Past Chair ✓ Paul Matthews, OCHIN Sean Turner, CommonSpirit ✓ Micky Tripathi, Arcadia.io Paul Uhrig, Surescripts 	<ul style="list-style-type: none"> Jeffery Anderson, MD, VHA ✓ Stephen Bounds, SSS ✓ Jude Soundararajan, SSA Jeffrey Ford, DOD
<p>Staff and Invited Subject Matter Experts</p> <ul style="list-style-type: none"> ✓ Bill Berry, Kimble CPA, Sequoia CFO ✓ Steve Gravely, Gravely Group, Legal Counsel ✓ Shawna Hembree, Program Manager, Sequoia ✓ Mariann Yeager, CEO, Sequoia 	

Meeting Summary

Establish Quorum / New Business

Discussion Summary: Roll call was facilitated to identify the Sequoia Board Directors (“Directors”), governmental liaisons (“Liaisons”) and invited subject matter experts present. See list of participants noted above.

Decision / Outcome: A quorum was declared.

Action / Follow Up: N/A

November 2020 Meeting Minutes

Discussion Summary: Board members reviewed minutes from the November 19, 2020 board meeting.

Decision / Outcome: A motion was made and seconded to approve the minutes.

Action / Follow Up: Minutes will be archived.



Treasurer's Report: October 2020 Financials

Discussion Summary: The board treasurer reported the October 2020 financials, including the Balance Sheet and Statement of Activities.

Statement of Activities

Year to date revenue is \$40K better than budget and is predicted to end the year at \$60K better than budget. Operating expenses are over budget by \$60K and are predicted to end slightly over \$90K more than budget. The Net is \$9K in the red when budgeted to be slightly ahead; the end of year is predicted to be \$18K in the red. Year to date membership revenue is better than budgeted by over \$70K indicating the concerns regarding member renewals were unrealized. While RCE-related work is under budget, the expenses balance out since the grant is an expense reimbursement project. The net result is that more staff expenses are reflected in the Sequoia operating budget. Sequoia also had higher than budgeted legal expenses related to the Information Blocking Compliance Boot Camp (i.e. \$157K and predicted to end the year at \$215K). This expense is offset by the \$120K in Information Blocking Compliance Boot Camp revenue; however, the boot camp is operating at a loss. The board approved a \$100K net loss investment in the camp as a strategic investment. As a result, the outcome remains positive. The combined income statement for the three organizations is favorable with both organizations better than budget.

Statement of Financial Position (Balance Sheet)

The organization's cash and cash equivalent is \$1.8M, which is slightly less than last month due to Intercompany Receivables owed from the other organizations, which are in line with expectations. The PPP loan funds are reflected in the company's cash position and are reflected as a liability until repaid or forgiven. Total assets are at \$1.3M. Receivables are in line with expected collections. The combined balance sheet shows combined cash and cash equivalents are \$12M and net assets of \$7.2M, which reflects sufficient operating capital across the three organizations.

It was clarified that Sequoia's minimum liquidity and investments policy is 3-6 months cash reserves and investments are expected to be FDIC reserves. It was determined that the Finance Committee should further discuss Sequoia's policy as a not for profit regarding the possibility of having more money than budgeted.

Decision / Outcome: No further questions. Motion made as recommended by the Finance Committee and seconded to approve the October 2020 financials. Motion carried without objection.

Action / Follow up: October Financials will be archived.

2021 Budget

Discussion Summary: Treasurer reported that the Finance Committee recommends an approval of preliminary budget with continued review of the allocation and strategic decisions with these three issues addressed:

1. The board must approve a budget that is break-even or has margin; and any strategic investments that affect a break-even budget.
2. Review the RCE project, including personnel allocations.
3. Revisit management services agreement and cost allocations among the organizations as Sequoia is holding more expenses than available revenue to support.

Management reviewed the budget strategy including the revenue and expenses assumptions in the Budget Narrative. It was confirmed that the second year RCE award was granted to Sequoia running from August 2020–August 2021, but year three will not be awarded until 2021. Management will further review the \$350K PPP loan with the CFO in early 2021 prior to determining whether to seek board’s approval for forgiveness of the loan. The allocation of the loan to the other organizations will also have to be determined once a decision related to forgiveness is made. The Treasurer noted that while membership renewals turned out to be less of a risk than was thought, the RCE is still a concern as it offsets some of the Sequoia personnel expenses (\$268K). If the award were not renewed for year three, Sequoia would need to cover that loss. The recommendation of the Finance Committee is to reevaluate the budget and the PPP loan forgiveness with this in mind. The CFO clarified that Sequoia can seek full or partial forgiveness but qualifies for 100% forgiveness. The deferral window for seeking forgiveness is 10 months from the day funded (i.e., 10/2020) which will be late spring 2021 at which point, if Sequoia does nothing, it will convert to a loan. If Sequoia begins making payments, we can later request forgiveness on the remaining should the RCE not be awarded for year three. Alternately, Sequoia can seek forgiveness and later choose to pay it.

Decision / Outcome: No further questions. Motion made and seconded to accept the preliminary budget as recommended by the Finance Committee inclusive of the three recommendations and amended to include the caveat that that Sequoia will continue to review the budget to move towards, at minimum, a breakeven budget or future budgets that support sustainability going forward. The amendment was accepted and seconded. Motion carried without objection. No abstentions.

Action / Follow up: The 2021 budget will be reviewed based on the recommendations by the Finance Committee, and Management will provide updates to the board in future meetings.



Strategic Topics

1023 Status

Discussion Summary: Management informed the board that the Form 1023 application had been approved by the Executive Committee and submitted prior to the deadline. Legal counsel presented the 1023 Form and Narrative. Sequoia's rationale for exemption was explained as lessening the burden on federal government specifically as it pertains to advancing interoperability, which is a recognized basis for tax exemption. It was clarified that Sequoia was chartered in 2018 after the corporate restructure, and under the IRS code an organization has 27 months to submit an application for recognition of exemption. The IRS will review and reach out for questions if necessary before issuing a determination to Sequoia. When approved it will be retroactive to 9/17/2018 and Sequoia will have been 501c3 since that date.

Decision / Outcome: No further questions. Motion made and seconded to approve the 1023 as presented. Motion carried with no objections.

Action / Follow up: Management will update the board once approval is granted.

Board Elections Results

Discussion Summary: Management informed the board that the elections had concluded and presented the new board members elected for a term of three years to run from 1/1/2021-12/31/2023. The board chair acknowledged the services of outgoing board members (Matthew Eisenberg, Sean Turner, and Anne Kimbol) and their informed the board of their next steps within Sequoia.

Decision / Outcome: No further questions. The board acknowledged the updates.

Actions / Follow up: Management will provide further updates as new directors are onboarded.

2021 Strategic Priorities

Discussion Summary: Management reviewed the 2021 strategic priorities, as they will translate into CEO goals and to indicate the level of effort being put forth for Interoperability Matters and RCE. Management included information regarding the member survey of priority interest areas for further consideration.

Decision / Outcome: No further questions. The board acknowledged the updates.

Action / Follow up: Management will provide additional updates in the future as it pertains to CEO 2021 goals.

Meeting adjourned at 3:00pm ET.