



**Community Catalyst  
Board of Directors Meeting  
June 6, 2014 - 10:00 – 1:00 P.M.  
Dial in: 877-594-8353; Participant code: 92690821  
Agenda**

- I. Welcome & Introductions** **10:00**
- Approval of April Meeting Minutes **(VOTE)**
  - Acting Executive Director's Report

Staff: Jacquie Anderson

- II. Corporate Business** **10:15**
- Finance Committee Report
  - Year-to-Date 2014 Financials
  - Presentation of 2013 Audited Financials

Staff: Rosemarie Boardman, Donna Pina Robinson

- III. Board Members: Providing Strategic Advice and Expertise** **11:15**

***Strategic Goal 5:*** Diversify our funding sources and develop a flexible pool of resources for investment in key priorities and program development.

- **Development Report**
- **Confidential Opportunity Discussion**

Staff: Diane Felicio

- IV. Adjourn** **11:45**

**Community Catalyst  
Board of Directors: C4 Membership Meeting  
June 6, 2014**

- |            |  |              |
|------------|--|--------------|
| <b>I.</b>  | <b>Election of 501(c)(4) Board of Directors (VOTE)</b> | <b>11:50</b> |
| <b>II.</b> | <b>Adjourn</b>   | <b>11:50</b> |

**Community Catalyst  
Annual Meeting  
June 28, 2013  
Agenda**

- |             |   |              |
|-------------|---|--------------|
| <b>I.</b>   | <b>Governance Committee</b>                       | <b>11.55</b> |
|             | ▪ Election of Officers (VOTE)                     |              |
|             | ▪ Nomination of Board Members to New Terms (VOTE) |              |
|             | ▪ Meeting with Members                            |              |
| <b>II.</b>  | <b>Executive Session</b>                          | <b>12:30</b> |
| <b>III.</b> | <b>Wrap-up and Adjourn (10 minutes)</b>           | <b>12:50</b> |

## Table of Contents

<b>Minutes of the Meeting of March 21, 2014</b>	<b>Pages 1 – 6</b>
<b>Acting: Executive Director’s Report</b>	<b>Pages 7 – 10</b>
<b>Corporate Business</b>	
○ 2014 Financials	<b>Pages 11 – 46</b>
○ Conflict of Interest Policy	<b>Pages 47 – 51</b>
<b>Organizational Updates:</b>	
○ Development Report	<b>Pages 52 - 55</b>
○ External Affairs Report	<b>Pages 56 – 57</b>
○ Program Report	<b>Pages 58 – 67</b>
○ Communications Report	<b>Pages 68 - 77</b>

**Community Catalyst Board of Directors Meeting  
March 21, 2014**

**Members of the Board in attendance:** Wendy Warring, Kate Villers, Karen Hicks, Joia Crear Perry, Dan McGrath, Mark Schlesinger, Anthony So, Diane MacDonald; **Apologies:** Robert Phillips; **Absent:** Kavita Patel and Amy Slemmer; **Community Catalyst Staff:** Rob Restuccia, Jacquie Anderson, Sue Sherry, Diane Felicio, Rosemarie Boardman

**WELCOME AND INTRODUCTIONS**

A quorum being met, Wendy Warring opened the meeting at 9.18am and welcomed Dan McGrath to his first meeting as a member of the Community Catalyst Board of Directors. Members of the Board updated each other with a summary of their recent professional work related to health reform.

Approval of December meeting minutes.

Kate Villers moved, Mark Schlesinger seconded and it was

VOTED unanimously to approve the minutes of the previous meeting.

Executive Director's Report

Rob Restuccia noted that 2013 had been another year of growth and accomplishment for Community Catalyst, which ended with a larger-than-anticipated financial surplus. Community Catalyst will be undertaking exciting new work to strengthen advocacy efforts for Medicaid expansion in recalcitrant states with support from a major grant pending from the Wyss Foundation. Community Catalyst was expanding its communication program by taking on the work of the Herndon Alliance. Rob also summarized efforts to increase staff diversity. He circulated data regarding the composition of current staff along with a summary of current vacant positions, requesting Board members to continue assisting development of a diverse pool of candidates for future hires.

He said that approaches for meeting the twin challenges of volatility in the current political environment and managing steady organizational growth are built into the current strategic plan but also call for continual review and re-assessment of organizational strategy. Underlining the difficulty of predicting outcomes is the fact that in some "leader states" where the ACA Implementation Fund made grants for ACA outreach and enrollment efforts, website failures undermined grantee results, but in others grantees exceeded expectations. He noted that an anticipated fall-off of financial support for Community Catalyst in 2015 has not occurred, but could still occur in 2016. The volatile political situation highlights the importance of continuing to examine development of the Community Catalyst Action Fund.

Karen Hicks and Dan McGrath commented on the need for increased ACA-related outreach to small businesses, and engagement by Community Catalyst on this issue. Anthony So raised a question about organizational strategy for countering ACA attack ads, especially in the South; Rob said that as part of assuming the Herndon Alliance role, Community Catalyst had contracted for polling research to further inform and improve messaging on this issue.

Regarding Community Catalyst's staff recruitment efforts, Anthony suggested developing a calendar of events sponsored by groups serving communities of color in order to highlight opportunities for attendance by Community Catalyst staff and/or integration of Community Catalyst program content. The Board also discussed earmarking of some discretionary funds for an innovative internship program to increase engagement with and leadership in communities of color for health care change. It was agreed to revisit this topic at a future Board Meeting.

## **CORPORATE BUSINESS**

### Finance Committee Report.

Diane MacDonald reported on behalf of the Finance Committee that it had reviewed end-of-year financials with both Rosemarie Boardman and Donna Pina Robinson prior to the upcoming audit, including detail about a proposed ten-year lease for new office space. The Committee is in agreement with going ahead and signing a ten-year lease.

Rosemarie reviewed end-of-year financials for 2013. Community Catalyst ended the year with a surplus of \$470k against a budgeted surplus of \$36k, \$150k of which resulted from net income from the 15<sup>th</sup> Year Anniversary Event. In addition, SCHAP had received two unbudgeted grants in 2013 worth \$3 million from the Robert Wood Johnson Foundation. As a result, net assets at year end were increased to \$1.8 million, covering more than three months of operating expense. This was the strongest position financial position yet established for Community Catalyst since its beginning in 1997. Losses in program operation also were smaller than budgeted; only the Prescription Project showed a significant loss. The budget in 2014 reflects cancellation of the Prescription Access Litigation project altogether, moves its staff to other departments, and extends the Prescription Project itself only through September.

More sub-grant monies than budgeted had been disbursed in 2013 but with four top Community Catalyst funders going through substantial organizational changes, senior management believed it was appropriate to retain these funds in 2014.

95% of 2014 revenue was already committed, including an additional \$3.5 million over the 2014 budget approved by the Board in December 2013.

### Executive Director's Sabbatical.

Rob explained plans for operating during his three-month sabbatical, beginning June 1. During this time, Jacquie Anderson will take on the role of Acting Executive Director with members of the Senior Management Team (SMT) assuming additional leadership responsibilities. Jacquie mentioned that the SMT said that at an April retreat the SMT would discuss these plans in greater detail. They recognized that Rob's absence also encouraged discussion at a staff level. Board members wished Rob well on his sabbatical.

### Conflict of Interest.

Diane Felicio reviewed the final draft of the Community Catalyst conflict of interest policy she had developed incorporating feedback from previous Board and the Senior Management Team discussions. The policy was focused solely on gifts from industry, which pose a bigger potential conflict of interest than individual donors, to be handled in a separate document.

Feedback from the Board was positive, but it was agreed to make three additional changes to strengthen the document:

- A report would be made to the Board of Directors annually on accepted and rejected gifts.
- A statement would be added to the beginning of the policy reflecting that Community Catalyst recognizes its own advocacy of conflict of interest policies for others and will act in consonance.
- It would be noted in the policy that in-kind contributions would be treated the same way as monetary contributions.

On the basis that those changes would be made and with the understanding that the document could be modified in the future, Kate Villers moved, Joia Crear Perry seconded and it was

VOTED unanimously to accept the Conflict of Interest policy

## **UPDATES ON ISSUES DISCUSSED AT THE DECEMBER BOARD MEETING**

### Development

Diane Felicio reported that the 15th anniversary event had been a success and that celebrating both the organization and honoring Kate was the right decision. The house party at Wendy Warring's home was also a good strategy that exposed the organization to a new group of people. Around 600 people will be solicited in 2014, 125 of whom are expected to be new donors. The organization has already sent out communications to donors about the Mass Equality award and further communication efforts with donors will continue throughout the year.

Diane explained that the current development database will become even more problematic as the organization grows its donor base. Because of its inability to run useful analytics, Diane was researching alternatives. Foundation work continues to consume the development team's core time and where the most money for the organization is sourced. Reports and proposals take up significant time, often on short deadlines. In 2014, a bulk of Diane's time will be spent analyzing potential new revenue streams. She will make a more detailed presentation about her research at the June Board Meeting.

### Regional Offices

Community Catalyst now has permanent staff based both in Washington DC and Missouri which calls for further assessment and discussion at future Board meetings.

### Herndon Alliance

The Herndon Alliance is proceeding to dissolve its corporation in the state of Washington and will thereafter transfer its assets to Community Catalyst. As an alternative to formal merger, this approach eliminates any corporate liability on the part of Community Catalyst as well as legal fees. Completion of the transfer is anticipated by May or June; asset figures will be available shortly.

## **EXTERNAL ENVIRONMENT: TRENDING ISSUES**

Amy Rosenthal joined the meeting to discuss *In the Loop* and its success in highlighting priority issues for HHS problem-solving through regulation and for operation of the healthcare.gov website. *In the Loop* will continue for a second year, through April 2015, with renewed funding from the Ford Foundation. Amy outlined an instance where Community Catalyst's willingness to stake out a leadership position on a controversial issue that needed attention from HHS but for which usual national partners were not willing to advocate. Community Catalyst sent a letter directly to Secretary Sebelius requesting HHS to create a "special enrollment period" post-open enrollment for people unable to enroll successfully

because of website and other complications. Thirteen other groups representing a broad spectrum of vulnerable constituencies (e.g., LGBT and substance use disorders) co-signed the letter and HHS met the request.

Michael Miller summarized his analysis of the environment, the likely positioning of industry players in the environment, and Community Catalyst's positioning and priorities in light of these developments. For example, this year's anti-ACA election climate could remain embedded in Republican strategy for as long as a decade. As one of its priorities, Community Catalyst is working to mobilize the small business community in support of Medicaid expansion fights.

Anthony So raised the issue of anti-ACA advertising campaigns in the South that are now dominating the airways and other media. Michael noted that the ACA remains theoretical for the vast majority of voters and there is an ongoing need for messaging that makes it more "real." Taking on the work of the Herndon Alliance puts Community Catalyst in a better position to message ACA reform to a wider set of audiences, and with better polling data, than in the past.

## **IMPLEMENTING THE STRATEGIC PLAN**

### **Program briefing**

Alice Dembner spoke about Community Catalyst's expanding program focused on treatment and access to care for people with substance use disorders (SUD). Through a new multi-year project that will target five as-yet-to-be-determined states as part of a national incentive program funded by the Conrad N Hilton Foundation, this work will target expansion of screening and brief intervention and treatment (SBIRT) for young people at risk of SUD. To date, the SUD team counts among its success having helped to achieve coverage for substance use disorder treatment through Medicaid expansion in three states; the strengthening of federal parity regulations; and increasing the capacity of several state groups with which it worked in partnership. In promoting SBIRT, the SUD team is dealing with such challenges as the history of "siloeing" treatment for substance use disorders within the health care system, a steep learning curve for state partners, meeting a large match requirement of the Hilton grant and planning next steps.

Board members made several suggestions: convening organizations working on criminal justice who are also interested in SUD work; asking OSF to host a funder briefing or sponsor a presentation for funders at a Grantmakers in Health conference; developing relationships with employers who experience SUD issues among their workforces; testing new messaging that highlights the success of SUD treatment in reducing societal costs; and "storybanking" of first person accounts from people experiencing recovery after SUD treatment.

### **Incubation document**

Rob circulated a document outlining projects that Community Catalyst currently is incubating and requested Board member feedback. He noted difficulty in achieving a balance between current work priorities and future possibilities and effectively organizing Community Catalyst to pursue both at the same time. He also flagged some specific items on the list. He noted that representation of consumer interests in state regulator rate review processes is not yet viewed as a high priority by most state advocacy groups. This partly is due to lack of funder interest in supporting such work, which also inhibits Community Catalyst from providing leadership for their greater engagement. By contrast, conversations were proceeding well with two states about piloting state-specific versions of the *In the Loop* website.

Rob also underlined the importance of continuing to innovate around the grouping of issues that include payment by Medicaid and other health plans based on outcomes, quality measures, and patient confidence – not only to improve quality of care but to document this with policymakers and the general public.

He said that a next step in the overall “innovation process” will be to assign a priority level and developmental stage to each item in the document for further discussion at a future Board meeting.

Communications. Kathy Melley and Christine Lindberg briefed Board members on progress with informal merger of the Herndon Alliance into Community Catalyst. This new Community Catalyst initiative is called “On Message.” As a result of this step, staff expects Community Catalyst to become more of a national player on the communications front, build out its DC presence, increase its visibility and appeal with funders, and provide additional communications tools and expertise to states. The *On Message* daily news clip service is distributed to more than 2000 people based on both private and public polling, and Community Catalyst will now lead national convenings in Washington established by Herndon as a “safe table” for participants where emerging issues could be identified.

Suggestions from Board members regarding this program included featuring stories of newly insured whose lives have improve because of coverage; flagging issues for independent groups like PolitiFact; and organizing well-informed students in ‘cyber swat teams’ that can defend incorrect online information.

Following the staff presentations, Wendy Warring, Board chair, requested that future meetings include an update from staff on the usefulness of such feedback from Board members and more clarity in staff presentations about program linkages to Community Catalyst’s core strategies. Board members also requested a “fact sheet” of talking points to better equip them communicate key facts about Community Catalyst, including its impacts, to people not familiar with the organization.

#### **GOVERNANCE COMMITTEE**

The Governance Committee is working toward the goal of recommending in September election of an additional Board member, with a high priority placed on a person who combines commitment to Community Catalyst’s mission with interest and ability to expand its fundraising reach, especially among individual donors. Ways to develop a “pipeline” to engage potential Board members not yet familiar with Community Catalyst were still under consideration. Following a meeting between Board Members Wendy Warring and Diane MacDonald and current Members, also attended by Rob Restuccia, a specific proposal for making a transition from the current structure will be discussed at the next Board meeting.

The Governance Committee recommended for the time being to wait until a transition proposal has been accepted by the Members and potentially put into effect before requesting them to add the executive director of Community Catalyst to the Board as an ex officio member, and Board members concurred with this recommendation.

The meeting adjourned to Executive Committee session at 2.15pm.

**Additional Notes (not part of the Minutes of the 3/21/14 Board Meeting):  
Members Sharing Recent Key Work Highlights.**

Karen Hicks had been working to advance Medicaid expansion in New Hampshire, which looks like a favorable prospect, and on coordinating outreach and education for the ACA Marketplace in New Hampshire. She also was working on repealing the state's death penalty.

Joia Crear Perry described efforts in LA to push Medicaid expansion and how the MoveOn billboard had brought attention to the Governor's opposition to accepting federal monies for this. The tactic was more successful than planned because of the heightened public attention resulting from the state's unsuccessful attempt to remove it through a lawsuit.

Kate Villers commented on the scope and complexity of the consumer-based advocacy work going on across the country and the importance of Community Catalyst's leadership in providing support for this work.

Dan McGrath had been working on an organizing effort around the Basic Health Plan that included recruiting other states to push HHS on developing regulations for the BHP. This successful effort will mean another "extra" \$150 million to Minnesota. Roll-out of the state exchange and meeting its challenges has been another area of focus. Criminal justice issues and raising the minimum wage have also been areas of concentration.

Mark Schlesinger referred to a large, national research project he was leading to collect people's stories about their health care experience in a scientific way for use as a lever to transform the health care system in various ways. First round evaluations have just been completed and he reported that it's working well.

Anthony So had been working on antibiotic resistance and how to solve the dearth in arrival to the market of new antibiotics. He recently had published a paper on these issues and now was involved with a Lancet series featuring new business models. He provided WHO with a commissioned report on antibiotic pathways.

Diane MacDonald said MIT was opening a new building and still focusing on cutting edge genomic research.

Wendy Warring said at Children's Hospital she and others had been giving considerable thought to how a freestanding children's hospital fits into a consolidated health care market, discussing the future of health insurance companies and other visions of what health care will look like in the future, including models of partnership.



**TO: Board of Directors**  
**FROM: Jacquie Anderson**  
**DATE: June 6, 2014**  
**RE: Acting Executive Director's Report**

---

We are all looking forward to the Meeting on June 6 from 10:00 to 1:00 pm EST. This will actually be three meetings in one; our regular board meeting, a meeting to elect our C4 Board as required by the c4 by-laws and our annual meeting. Our Boston based members, Kate Villers, Wendy Warring, and Amy Whitcomb Slemmer will attend in person and other members will be joining us on the phone (**Dial in 877-594-8353; participant code 92690821**). Kavita has a conflict and will not be able to join us. While the meeting is short, we have a very substantive agenda.

Due to time constraints we will not have a program report. I urge you to carefully read the reports submitted by Amy, Kathy and Susan. They provide an excellent overview of the work since the last Board meeting.

#### ***Overview of Friday's Meeting Agenda***

We have a number of important items to discussion under Corporate Business, including a report from the Finance Committee including Year-to-Date 2014 financials and the presentation of the 2013 audited financials.

A large part of the meeting will be focused on discussing strategy, which is related to our goal of diversifying our funding. Atlantic Philanthropies has approached us about developing a proposal for a large sustainability grant; we expect this to be ready in concept by the end of July. Diane will lead the discussion of this opportunity. She has a short description in her report, but because of the sensitive nature, we will not be including additional material about it and ask that you keep the conversation confidential. She will also provide you with an updated report on development activities including the hiring of a consultancy firm, Root Cause, to help us proceed with our business planning assessment.

Following the regular board meeting we will adjourn and open up a separate meeting to ask you to vote on the election of the Community Catalyst Action Fund Board members (the C4). We have to do this as a separate meeting according to our by-laws.

Following that meeting we will adjourn and open our annual meeting.

There we will get an update from the Governance Committee. We will discuss the process the Governance Committee has used to identify new potential members. At the last meeting we



agreed that it was important to nominate Board members with strong connections to relevant constituencies and who could assist in fundraising. We also discussed the plan to align the Members structure with the Board structure.

Finally we will end with an Executive Session.

### ***Update on Personnel***

There are a number of staff transitions to report since the last board meeting. Alexis Brimage-Major is the new Executive assistant to Rob and me. She is moving from the *Roadmap to Health* Project where she has done an outstanding job. We also wanted to note that 6 new staff members have joined the organization:

#### **Nell O’Connell, Grants and Program Associate**

Before joining Community Catalyst, Nell served as a Project Administrator for the Center for Child Health Care Studies at Harvard Pilgrim Health Care Institute providing administrative and grant assistance to the Center and its faculty members. Previously, she worked at the Alaska State Hospital and Nursing Home Association which strengthened her interest in health care and policy. Nell holds a dual bachelor’s degree in Political Science and French from Loyola University in Maryland.

#### **Ashley Blackburn, Policy Analyst, State Health Advocacy Program**

Prior to joining Community Catalyst, Ashley served as a Legal Fellow at Health Care for All with a focus on private insurance issues. Previously, she served as a Staff Attorney to the Insurance Committee of Legislative Service Commission of the Ohio House of Representatives. Ashley holds a bachelor’s degree in strategic communication from the Ohio State University, and a law degree from Capital University Law School.

#### **Melissa Ough, Policy Analyst, Substance Use Disorder Project**

Melissa formerly worked at the Center for Social Innovation, where she provided technical assistance to SAMHSA homeless programs grantees and HUD-Veterans Affairs Supportive Housing (HUD-VASH) teams. She provided training on outreach to homeless populations, including online courses in Critical Time Intervention. She also taught Mental Health First Aid nationwide to help social services providers build the skills to respond to the signs of mental illness and substance use disorders. She was a research analyst for a NIMH study on the dissemination of evidence-based practices in community organizations. Melissa holds a Bachelor of Arts in Sociology from Gettysburg College and a Master’s in Social Work from Boston University.

#### **Gabrielle Novello, State Advocacy Manager, Alliance for Children’s Health**

Prior to joining Community Catalyst, Gabrielle served as a Program Specialist for the Community & Family Health Program at the Department of State Health Services in Houston,



Texas. She provided technical assistance and consultative services on strategies to catalyze policy related to obesity. Gabrielle received her Bachelor's degree from Rice University and her Master's in Public Health with a concentration in health services organization from the University of Texas Health Science Center in Houston.

**Amanda Ptashkin, Project Manager Southern Health Partners Project**

Amanda is well known to Community Catalyst staff. She served as the Outreach and Advocacy Director for Georgians for a Healthy Future, one of our key state partners. In that capacity Amanda managed the organization's coalition building and convening efforts, provided outreach and education to community groups across the state and served as a licensed navigator during the Affordable Care Act's first open enrollment session. Amanda holds a bachelor degree from New York University with a focus on Politics, with a Health Policy minor and graduated from Widener School of Law in Delaware with a juris doctorate and health law certificate.

**Tera Bianchi, State Advocacy Campaign Manager, Substance Use Disorder Project**

Tera joins Community Catalyst, with over seven years of experience working in public policy advocacy. Most recently, Tera worked to improve access to oral health care for Washington State's most vulnerable populations as the Oral Health Access Project Manager with the Children's Alliance in Seattle. Prior to that, Tera worked as an Advocacy Coordinator with the Washington State Coalition for the Homeless and Policy Analyst for the Children's Home Society of WA. Tera holds a Master of Social Work degree from the University of Washington.

Since the last board meeting, five staff members have left organization for a variety of reasons including: going back to school, taking on new employment opportunities and finding employment that is a better fit with their career and family goals. We are currently recruiting to fill four more vacancies, and we continue to strive for a more diverse workforce and encourage you to send qualified candidates our way. With the help of Marla Shatkin, our head of human resources, we have been able to better identify and articulate the characteristics of a successful Community Catalyst staff member. In addition to baseline qualifications, we believe a successful employee embodies the following characteristics:

- Nimbleness and facileness around work and change – The ability to adapt quickly and change direction early and readily, in response to the changing needs of the job and scope of work.
- A sense of urgency and drive- Demonstrated focus on meeting the needs of the job, taking initiative where the opportunity presents itself, with an eagerness for more responsibility and a desire for exposure to new challenges.
- Creativity and comfort with the 'gray' areas – A desire and innate motivation to contribute and try new ideas and ways of doing things, coupled with a sense of comfort for not always having the answers, or even knowing the questions.



We also want to report that Jessica Curtis, Director of Hospital Accountability program, is on medical leave and will be soon be on maternity leave. It is also our expectation that Reena Singh who runs our State Health Advocacy Program will be going on maternity leave in July.

***Relocation to One Federal***

We are scheduled to move on September 19. Staff members are very excited about the move. We have formed three all staff teams (Community Catalyst, Health Care for All and Health Law Advocates) that are working together to ensure an environment that is both conducive to our work and which will allow us to build a culture and space that reflects the vision of the three organizations. We received a construction estimate that was more than we expected, so we are working with our contractor and architects to reduce our costs as much as feasible.

As always, if there is anything you'd like to discuss with me prior to the Board Meeting, please contact Alexis ([abrimagemajor@communitycatalyst.org](mailto:abrimagemajor@communitycatalyst.org)) and she'll be happy to arrange a convenient time to talk.

**Upcoming Board Meetings:**

September 19 - 20, 2014 – Philadelphia  
December - Boston - 1 Federal Street (Our New Office)

**COMMUNITY CATALYST MEMORANDUM**

**TO: BOARD OF DIRECTORS**

**FROM: ROSEMARIE BOARDMAN  
DONNA PINA ROBINSON**

**DATE: MAY 28, 2014**

**RE: FINANCIAL INFORMATION FOR THE BOARD MEETING**

---

FY 14 Financial Statements through March 2014:

Attached are the financial statements for Community Catalyst for the first quarter of 2014. The statements are for the organization as a whole. We are currently projecting a year end surplus of \$100,000, \$167,000 less than the board approved amount of \$267,122. This change is largely due to reduced revenue and increased expenses in the Hospital Accountability Project.

FY 13 Audited Financial Statements and FY 13 Analysis Ratios:

Also attached are drafts of our audited financial statements for 2013 that show a year end surplus of \$469,784. These statements mirror those discussed at the March Board meeting. Also included are the financial analysis ratios to help us understand the organization's financials. These ratios will be used to review the year end statements provided to the Board.

Our audit team from Edelstein has met with the Finance Committee in advance of the Board meeting to discuss the findings and review the ratio analysis. Our auditor, Alfonso Perillo, along with Kate will report to the board at the meeting.

We look forward to the call next week. Please don't hesitate to contact us if you have any questions in the meantime.

**ASSETS**

**Current Assets**

Cash - Operating	\$ 1,429,145
Cash - Money Market	<u>5,099,691</u>

**Total Cash and Cash Equivalents** 6,528,836

**Other Current Assets**

Accounts Receivable	272,320
Pledge Receivable S/T	5,769,794
Other Receivables	91
Prepaid Expense	<u>257,254</u>

**Total Other Current Assets** 6,299,459

**Other Assets**

Security Deposits	3,446
Deferred Rent	112,275
Pledge Receivable L/T	<u>2,028,374</u>

**Total Other Assets** 2,144,095

**Property and Equipment**

Furniture & Fixtures	25,763
Office Equipment	89,549
Less: Accum Depr & Amort	<u>(115,311)</u>

**Total Property and Equipment** 1

**Total Assets** \$ 14,972,391

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable	\$ 371,574
Accrued Expense	<u>155,091</u>

**Total Current Liabilities** 526,665

**Long-Term Liabilities**

LT Portion of Lease Payable	<u>95,522</u>
-----------------------------	---------------

**Total Long-Term Liabilities** 95,522

**Total Liabilities** \$ 622,187

**Net Assets**

Unrestricted Net Assets	\$ 1,858,502
Temporarily Restricted Assets -Community Catalyst subgr	4,678,722
Temporarily Restricted Assets -Community Catalyst operat	6,439,845
Temporarily Restricted Assets - Management Services Clie	1,361,686
Temporarily Restricted Assets	12,480,253
YTD Change in Net Assets	<u>11,449</u>

**Total Net Assets** 14,350,204

**Total Liabilities & Net Assets** \$ 14,972,391

Community Catalyst, Inc.  
Net Statement of Activities  
For the Three Months Ending March 31, 2014

	<u>Current</u> <u>Month</u>	<u>Year to</u> <u>Date</u>	<u>Annual</u> <u>Budget</u>	<u>Balance</u> <u>Remaining</u>	<u>% to</u> <u>Complete</u>
<b>Revenues</b>					
Unrestricted Grants	0	0	0	0	0.00
Grants Released Prior Year	551,959	2,204,091	7,361,862	5,157,771	(70.06)
Grants Released Current Year	202,500	202,500	4,484,530	4,282,030	(95.48)
Contracts	53,016	151,760	730,443	578,683	(79.22)
Donations	8,333	30,500	223,000	192,500	(86.32)
Fees	14,412	25,433	112,723	87,290	(77.44)
Subtenant Rent & Fees	28,521	85,664	343,235	257,571	(75.04)
Investment Income	647	952	4,300	3,348	(77.86)
<b>Total Revenues</b>	<b>859,388</b>	<b>2,700,900</b>	<b>13,260,093</b>	<b>10,559,193</b>	<b>(79.63)</b>
<b>Expenses</b>					
<b>Personnel</b>					
Salaries & Wages	344,358	1,029,058	4,390,181	3,361,123	76.56
Payroll Taxes	27,599	85,438	354,667	269,229	75.91
Benefits	45,347	74,919	695,525	620,606	89.23
<b>Total Personnel</b>	<b>417,304</b>	<b>1,189,415</b>	<b>5,440,373</b>	<b>4,250,958</b>	<b>78.14</b>
<b>Contract/Consulting</b>					
Program Consulting	50,976	197,201	1,424,444	1,227,243	86.16
Accounting/Legal/Tech	13,576	33,427	142,720	109,293	76.58
Temporary Services	3,339	9,651	54,522	44,871	82.30
Contracted Staffing	2,240	6,719	0	(6,719)	0.00
Subgrants	219,500	774,700	3,683,917	2,909,217	78.97
<b>Total Contract/Consulting</b>	<b>289,631</b>	<b>1,021,698</b>	<b>5,305,603</b>	<b>4,283,905</b>	<b>80.74</b>
<b>Office &amp; Program Expenses</b>					
Meetings & Events	16,313	70,491	461,518	391,027	84.73
Travel	43,333	105,736	539,263	433,527	80.39
Telecommunications	4,643	21,335	106,936	85,601	80.05
Occupancy	66,829	200,023	811,690	611,667	75.36
Printing & Mailing	2,005	7,344	39,428	32,084	81.37
Supplies & Misc	4,222	8,592	44,672	36,080	80.77
Staff Development	1,542	15,164	51,179	36,015	70.37
Advertising	0	382	800	418	52.25
Dues & Subscriptions	2,813	6,398	30,700	24,302	79.16
Fees	2,517	4,798	20,550	15,752	76.65
Insurance/Other	1,785	5,410	14,896	9,486	63.68
Equipment Related	5,799	12,337	37,800	25,463	67.36
Depreciation	0	6,570	16,570	10,000	60.35
Admin Fee	5,037	13,758	70,993	57,235	80.62
Net Allocations	0	0	0	0	0.00
<b>Total Other Expenses</b>	<b>156,837</b>	<b>478,338</b>	<b>2,246,995</b>	<b>1,768,657</b>	<b>78.71</b>
<b>Total Expenses</b>	<b>863,772</b>	<b>2,689,451</b>	<b>12,992,971</b>	<b>10,303,520</b>	<b>79.30</b>
<b>Net Income</b>	<b>(4,384)</b>	<b>11,449</b>	<b>267,122</b>	<b>255,673</b>	<b>(95.71)</b>

---

**COMMUNITY CATALYST, INC.**  
**AND AFFILIATE**



**Report to the Board of Directors**

**December 31, 2013**

---

To the Board of Directors  
Community Catalyst, Inc. and Affiliates  
Boston, Massachusetts

**DRAFT**

We are pleased to present these reports related to our audit of the combining financial statements of Community Catalyst, Inc. and Affiliate for the year ended December 31, 2013. These reports discuss certain matters required by professional standards to be communicated to you.

The contents of these reports consist of:

- *Required Communications* fulfills our obligations on communicating matters related to an entity's internal control over financial reporting that have come to our attention in the course of our audit.
- *Communications with Those Charged with Governance* is provided to: a) communicate the responsibilities of the auditor in relation to the financial statement audit and an overview of the scope and timing of the audit; b) obtain information relevant to the audit; and c) provide timely observations relevant to overseeing the financial reporting process.
- *Management representations* are obtained as part of the audit evidence we gather in the course of forming our opinion and to confirm management's ultimate responsibility for the completeness and accuracy of the financial statements.

These reports are intended solely for the information and use of the Board of Directors and management of Community Catalyst, Inc. and Affiliate and are not intended to be and should not be used by anyone other than these specified parties. We appreciate the opportunity to provide audit services to Community Catalyst, Inc. and Affiliate.

Boston, Massachusetts  
June 6, 2014

**COMMUNITY CATALYST, INC. AND AFFILIATE**

**December 31, 2013**

---

**Contents**

Required Communications... **DRAFT** ..... 1

Communications with Those Charged with Governance ..... 2

Management Representation Letter ..... 3

To the Board of Directors  
Community Catalyst, Inc. and Affiliate  
Boston, Massachusetts

**DRAFT**

We have audited the combining financial statements of Community Catalyst, Inc. and Affiliate for the year ended December 31, 2013 and have issued our report thereon dated June 6, 2014. Professional standards require that we provide you with the following information related to our audit.

#### OUR RESPONSIBILITY UNDER U.S. GENERALLY ACCEPTED AUDITING STANDARDS

As stated in our engagement letter dated February 22, 2014, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

#### PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters prior to the commencement of fieldwork.

#### SIGNIFICANT AUDIT FINDINGS

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Community Catalyst, Inc. and Affiliate are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2013. We noted no transactions entered into by Community Catalyst, Inc. and Affiliate during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 estimates affecting the financial statements were:

- Management's estimate of the collectability of its unconditional promises to give and the discount rate used to calculate the net present value of unconditional promises to give extending beyond one year. We evaluated the key factors and assumptions used to develop the estimate of

**DRAFT**

collectability and discount rate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the allocation of functional expenses. We evaluated the key factors and assumptions used to develop the estimate of the allocation of expenses in their functional categories in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statement were:

- The disclosure about the relationship between Community Catalyst, Inc. and Community Catalyst Action Fund, Inc. in Note 2 and the rationale for the presentation of combining financial statements.
- The disclosure in Note 11 to the financial statements describes the commitments with Real Benefits, Inc. regarding the collection of royalty installments.
- The disclosure in Note 12 to the financial statements describes transactions with related parties.

We evaluated the methods used by management to ensure that the disclosures were complete and accurate.

#### *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 known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No significant or material audit adjustments were proposed by us.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's 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 June 6, 2014.

**DRAFT**

*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 Organizations’ financial statements or a determination of the type of auditor’s 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 Organizations’ auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Boston, Massachusetts  
June 6, 2014

To the Board of Directors  
Community Catalyst, Inc. and Affiliate  
Boston, Massachusetts

**DRAFT**

In planning and performing our audit of the combining financial statements of Community Catalyst, Inc. and Affiliate for the year ended December 31, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered Community Catalyst, Inc. and Affiliate's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Catalyst, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Catalyst, Inc. and Affiliate's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of Community Catalyst, Inc. and Affiliate's financial statements will not be prevented, or detected, and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of the Board, management, and others within Community Catalyst, Inc. and Affiliate and is not intended to be and should not be used by anyone other than these specified parties.

Boston, Massachusetts  
June 6, 2014

June 6, 2014

Edelstein & Company LLP  
160 Federal Street  
Boston, MA 02110

**DRAFT**

This representation letter is provided in connection with your audits of the combining financial statements of Community Catalyst, Inc. and Affiliate (collectively the "Organizations"), which comprise the combining statements of financial position as of December 31, 2013 and 2012, and the related combining statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 6, 2014, the following representations made to you during your audits:

**Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 22, 2014.
- The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the organization's accounts.

**DRAFT**

- We are in agreement that the summary of passed adjustments attached to this letter are immaterial, individually and in the aggregate, to the financial statements taken as a whole.
- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

#### **Information Provided**

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We are not aware of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, and assessment whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
- The Organizations have satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- Community Catalyst, Inc. and Community Catalyst Action Fund, Inc. are exempt organizations under Section 501(c)(3) and 501(c)(4), respectively, of the Internal Revenue Code. Any activities of which we are aware that would jeopardize their tax-exempt status, and all activities subject to

**READY**  
tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Community Catalyst  
Analysis of Key Financial Ratios

	2013	2012	2011	2010	2009	2008
<b>Current Ratio</b>						
Current Assets	14,834,409	7,574,716	8,286,990	7,777,066	4,519,235	7,788,881
Current Liabilities	1,098,707	463,593	456,895	373,270	265,220	487,224
	<u>13.50</u>	<u>16.34</u>	<u>18.14</u>	<u>20.83</u>	<u>17.04</u>	<u>15.99</u>

**Current Ratio** *Measures the ability to pay short-term liabilities with short-term assets*  
*Current ratio = Current assets/Current liabilities*

	2013	2012	2011	2010	2009	2008
<b>Unrestricted Current Ratio</b>						
Current Assets	2,931,621	1,870,669	1,584,728	1,475,974	1,266,675	1,469,305
Current Liabilities	1,098,707	463,593	456,895	373,270	265,220	487,224
	<u>2.67</u>	<u>4.04</u>	<u>3.47</u>	<u>3.95</u>	<u>4.78</u>	<u>3.02</u>

**Unrestricted Current Ratio** *Measures the ability to pay short-term liabilities with short-term assets (using only unrestricted components of the balance sheet)*  
*Unrestricted Current Ratio = Unrestricted Current assets/Unrestricted Current liabilities*

	2013	2012	2011	2010	2009	2008
<b>Debt to Equity Ratio</b>						
Liabilities	1,194,229	686,466	763,972	750,167	711,937	934,725
Net Assets	15,693,314	8,461,696	9,466,499	8,593,740	4,313,104	7,629,379
	<u>0.08</u>	<u>0.08</u>	<u>0.08</u>	<u>0.09</u>	<u>0.17</u>	<u>0.12</u>

**Debt to Equity Ratio** *Measures how much of an organization's net assets are financed by debt*  
*Debt to Equity Ratio = Total liabilities/Net Assets*

	2013	2012	2011	2010	2009	2008
<b>Return on Assets</b>						
Change in unrestricted net assets	469,784	297,623	82,867	78,747	53,534	164,547
Total Assets (unrestricted)	3,052,726	2,075,179	1,855,062	1,758,390	1,641,413	1,810,725
	<u>0.15</u>	<u>0.14</u>	<u>0.04</u>	<u>0.04</u>	<u>0.03</u>	<u>0.09</u>

**Return on Assets** *Measures how efficiently assets are being used to generate a change in net assets*  
*Return on Assets = Change in net assets/Total Assets*

	2013	2012	2011	2010	2009	2008
<b>Functional Expense Analysis</b>						
Program	14,132,517	9,734,815	8,560,578	7,999,166	7,205,183	7,578,611
Management & General	340,058	591,836	612,057	489,618	241,669	394,276
Fundraising	555,079	458,220	429,083	272,293	318,772	205,025
	<u>15,027,654</u>	<u>10,784,871</u>	<u>9,601,718</u>	<u>8,161,077</u>	<u>7,765,624</u>	<u>8,177,912</u>
Program	94%	90%	89%	91%	93%	93%
Management & General	2%	5%	6%	6%	3%	5%
Fundraising	4%	4%	4%	3%	4%	3%
Expense growth	<u>0.39</u>	<u>0.12</u>	<u>0.18</u>	<u>0.05</u>	<u>(0.05)</u>	<u>0.54</u>

**Functional Expense Analysis** *Calculates the percentage of expense being allocated to the functional categories- program, management & general, and fundraising*  
*Program expenses/Total expenses*  
*Management expenses/Total expenses*  
*Fundraising expenses/Total expenses*

	2013	2012	2011	2010	2009	2008
<b>Working Capital Ratio</b>						
Current assets - Current liabilities	13,735,702	7,111,123	7,830,095	7,403,796	4,254,015	7,301,657
Total expenses*	8,384,401	7,397,021	6,715,598	6,362,083	6,084,651	7,061,763
	<u>1.64</u>	<u>0.96</u>	<u>1.17</u>	<u>1.16</u>	<u>0.70</u>	<u>1.03</u>

**Working Capital Ratio** *Indicates the proportion of total current assets less current liabilities to total expenses*  
*Working Capital Ratio = Current assets/Total expenses*  
*\* Excludes subgrants and in-kind*

	2013	2012	2011	2010	2009	2008
<b>Burn Rate</b>						
Cash *	2,464,369	2,336,451	2,326,548	1,687,949	1,528,132	4,901,601
Total expenses*	8,384,401	7,397,021	6,715,598	6,362,083	6,084,651	7,061,763
	<u>0.29</u>	<u>0.32</u>	<u>0.35</u>	<u>0.27</u>	<u>0.25</u>	<u>0.69</u>
Multiplied x months/year	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
	<u>3.53</u>	<u>3.79</u>	<u>4.16</u>	<u>3.18</u>	<u>3.01</u>	<u>8.33</u>

**Burn Rate** *The rate at which cash is used on a monthly basis*  
*Burn Rate = Cash/Total Expenses \* month/year*  
*\* Includes restricted cash*  
*\* Excludes subgrants and in-kind*

	2013	2012	2011	2010	2009	2008
<b>Fundraising Efficiency</b>						
Contributions	20,672,870	8,163,212	10,679,147	11,698,596	3,761,841	4,336,208
Fundraising expense	555,079	458,220	429,083	272,293	318,772	205,025
	<u>37.24</u>	<u>17.82</u>	<u>24.89</u>	<u>42.96</u>	<u>11.80</u>	<u>21.15</u>

**Fundraising Efficiency** *Amount of contributions raised per \$1 spent on fundraising*  
*Fundraising Efficiency = Total contributions/Total fundraising expenses*

---

**COMMUNITY CATALYST, INC.**  
**AND AFFILIATE**

**DRAFT**

**Combining Financial Statements**

**December 31, 2013 and 2012**

---

COMMUNITY CATALYST, INC. AND AFFILIATE

December 31, 2013 and 2012

**DRAFT**

---

**Contents**

Independent Auditors' Report.....1

Combining Statements of Financial Position as of December 31, 2013 and 2012 .....2

Combining Statements of Activities and Changes in Net Assets for the Years Ended  
December 31, 2013 and 2012.....4

Combining Statements of Cash Flows for the Years Ended December 31, 2013 and 2012.....6

Combining Statements of Functional Expenses for the Years Ended December 31, 2013 and  
2012.....8

Notes to Financial Statements.....10

**Independent Auditors' Report**

**DRAFT**

To the Board of Directors  
Community Catalyst, Inc. and Affiliate  
Boston, Massachusetts

We have audited the accompanying combining financial statements of Community Catalyst, Inc. and Affiliate (nonprofit organizations), which comprise the combining statements of financial position as of December 31, 2013 and 2012, and the related combining statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditor considers 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 estimates made by management, as well as evaluating the overall financial statement presentation.

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Catalyst, Inc. and Affiliate as of December 31, 2013 and 2012, and the changes in their net assets, functional expenses, and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Boston, Massachusetts  
June 6, 2014

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Financial Position  
December 31, 2013

**DRAFT**

Assets	Community Catalyst, Inc.	Community Catalyst Action Fund, Inc.	Eliminations	Combining Total
<b>Current assets:</b>				
Cash and cash equivalents	\$ 2,464,369	\$ 200,632	\$ -	\$ 2,665,001
Certificates of deposit	2,559,836	100,000	-	2,659,836
Accounts receivable	581,621	-	(9,394)	572,227
Unconditional promises to give	8,978,180	500,000	-	9,478,180
Prepaid expenses	250,403	-	-	250,403
<b>Total current assets</b>	<u>14,834,409</u>	<u>800,632</u>	<u>(9,394)</u>	<u>15,625,647</u>
Unconditional promises to give	1,932,029	1,425,349	-	3,357,378
Property and equipment	6,571	-	-	6,571
Deferred rent	112,275	-	-	112,275
Deposits	2,259	-	-	2,259
<b>Total assets</b>	<u>\$ 16,887,543</u>	<u>\$ 2,225,981</u>	<u>\$ (9,394)</u>	<u>\$ 19,104,130</u>
<b>Liabilities and net assets</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	\$ 956,872	\$ 19,894	\$ (9,394)	\$ 967,372
Accrued benefits	141,835	-	-	141,835
<b>Total current liabilities</b>	<u>1,098,707</u>	<u>19,894</u>	<u>(9,394)</u>	<u>1,109,207</u>
Deferred rent	95,522	-	-	95,522
<b>Total liabilities</b>	<u>1,194,229</u>	<u>19,894</u>	<u>(9,394)</u>	<u>1,204,729</u>
<b>Net assets:</b>				
Unrestricted	1,858,497	4,215	-	1,862,712
Temporarily restricted	13,834,817	2,201,872	-	16,036,689
<b>Total net assets</b>	<u>15,693,314</u>	<u>2,206,087</u>	<u>-</u>	<u>17,899,401</u>
<b>Total liabilities and net assets</b>	<u>\$ 16,887,543</u>	<u>\$ 2,225,981</u>	<u>\$ (9,394)</u>	<u>\$ 19,104,130</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Financial Position  
December 31, 2012

**DRAFT**

Assets	Community Catalyst, Inc.	Community Catalyst Action Fund, Inc.	Eliminations	Combining Total
<b>Current assets:</b>				
Cash and cash equivalents	\$ 2,336,451	\$ 189,400	\$ -	\$ 2,525,851
Certificates of deposit	2,305,250	100,000	-	2,405,250
Accounts receivable	481,948	13,273	(8,663)	486,558
Unconditional promises to give	2,233,715	500,000	-	2,733,715
Prepaid expenses	217,352	-	-	217,352
<b>Total current assets</b>	<u>7,574,716</u>	<u>802,673</u>	<u>(8,663)</u>	<u>8,368,726</u>
Unconditional promises to give	1,368,936	-	-	1,368,936
Property and equipment	31,074	-	-	31,074
Deferred rent	172,377	-	-	172,377
Deposits	1,059	-	-	1,059
<b>Total assets</b>	<u>\$ 9,148,162</u>	<u>\$ 802,673</u>	<u>\$ (8,663)</u>	<u>\$ 9,942,172</u>
<b>Liabilities and net assets</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	\$ 325,749	\$ 8,202	\$ (8,663)	\$ 325,288
Accrued benefits	137,844	-	-	137,844
<b>Total current liabilities</b>	<u>463,593</u>	<u>8,202</u>	<u>(8,663)</u>	<u>463,132</u>
Deferred rent	222,873	-	-	222,873
<b>Total liabilities</b>	<u>686,466</u>	<u>8,202</u>	<u>(8,663)</u>	<u>686,005</u>
<b>Net assets:</b>				
Unrestricted	1,388,713	8,535	-	1,397,248
Temporarily restricted	7,072,983	785,936	-	7,858,919
<b>Total net assets</b>	<u>8,461,696</u>	<u>794,471</u>	<u>-</u>	<u>9,256,167</u>
<b>Total liabilities and net assets</b>	<u>\$ 9,148,162</u>	<u>\$ 802,673</u>	<u>\$ (8,663)</u>	<u>\$ 9,942,172</u>

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2013

**DRAFT**

	Community Catalyst, Inc.			Community Catalyst Action Fund, Inc.			
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Combining Total
<b>Support and revenue:</b>							
Contributions and grants	\$ 308,763	\$ 20,364,107	\$ 20,672,870	\$ 100	1,925,349	\$ 1,925,449	\$ 22,598,319
Service fees	1,023,053	-	1,023,053	-	-	-	985,553
Rent	304,278	-	304,278	-	-	-	304,278
Royalties	150,000	-	150,000	-	-	-	150,000
In-kind contributions	100,000	-	100,000	-	-	-	100,000
Dividends and interest	9,071	-	9,071	500	-	500	9,571
Net assets released from restrictions	13,602,273	(13,602,273)	-	509,413	(509,413)	-	-
<b>Total support and revenue</b>	<b>15,497,438</b>	<b>6,761,834</b>	<b>22,259,272</b>	<b>510,013</b>	<b>1,415,936</b>	<b>1,925,949</b>	<b>24,147,721</b>
<b>Expenses:</b>							
Program services	14,132,517	-	14,132,517	476,833	-	476,833	14,609,350
Management and general	340,058	-	340,058	37,500	-	37,500	340,058
Fundraising	555,079	-	555,079	-	-	-	555,079
<b>Total expenses</b>	<b>15,027,654</b>	<b>-</b>	<b>15,027,654</b>	<b>514,333</b>	<b>-</b>	<b>514,333</b>	<b>15,504,487</b>
<b>Total change in net assets</b>	<b>469,784</b>	<b>6,761,834</b>	<b>7,231,618</b>	<b>(4,320)</b>	<b>1,415,936</b>	<b>1,411,616</b>	<b>8,643,234</b>
Net assets - beginning of year	1,388,713	7,072,983	8,461,696	8,535	785,936	794,471	9,256,167
Net assets - end of year	\$ 1,858,497	\$ 13,834,817	\$ 15,693,314	\$ 4,215	\$ 2,201,872	\$ 2,206,087	\$ 17,899,401

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2012

**DRAFT**

	Community Catalyst, Inc.		Community Catalyst Action Fund, Inc.					
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Eliminations	Combining Total
<b>Support and revenue:</b>								
Contributions and grants	\$ 137,813	\$ 8,025,399	\$ 8,163,212	\$ 27,096	\$ 12,109	\$ 39,205	\$ -	\$ 8,202,417
Service fees	1,041,007	-	1,041,007	-	-	-	(47,820)	993,187
Rent	314,815	-	314,815	-	-	-	-	314,815
Royalties	150,000	-	150,000	-	-	-	-	150,000
In-kind contributions	100,000	-	100,000	-	-	-	-	100,000
Dividends and interest	11,034	-	11,034	1,087	-	1,087	-	12,121
Net assets released from restrictions	9,327,825	(9,327,825)	-	339,020	(339,020)	-	-	-
<b>Total support and revenue</b>	<b>11,082,494</b>	<b>(1,302,426)</b>	<b>9,780,068</b>	<b>367,203</b>	<b>(326,911)</b>	<b>40,292</b>	<b>(47,820)</b>	<b>9,772,540</b>
<b>Expenses:</b>								
Program services	9,734,815	-	9,734,815	333,749	-	333,749	-	10,068,564
Management and general	591,836	-	591,836	30,000	-	30,000	(47,820)	574,016
Fundraising	458,220	-	458,220	-	-	-	-	458,220
<b>Total expenses</b>	<b>10,784,871</b>	<b>-</b>	<b>10,784,871</b>	<b>363,749</b>	<b>-</b>	<b>363,749</b>	<b>(47,820)</b>	<b>11,100,800</b>
<b>Total change in net assets</b>	<b>297,623</b>	<b>(1,302,426)</b>	<b>(1,004,803)</b>	<b>3,454</b>	<b>(326,911)</b>	<b>(323,457)</b>	<b>-</b>	<b>(1,328,260)</b>
<b>Net assets - beginning of year</b>	<b>1,091,090</b>	<b>8,375,409</b>	<b>9,466,499</b>	<b>5,081</b>	<b>1,112,847</b>	<b>1,117,928</b>	<b>-</b>	<b>10,584,427</b>
<b>Net assets - end of year</b>	<b>\$ 1,388,713</b>	<b>\$ 7,072,983</b>	<b>\$ 8,461,696</b>	<b>\$ 8,535</b>	<b>\$ 785,936</b>	<b>\$ 794,471</b>	<b>\$ -</b>	<b>\$ 9,256,167</b>

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Cash Flows  
For the Year Ended December 31, 20

**DRAFT**

	Community Catalyst, Inc.	Community Catalyst Action Fund, Inc.	Eliminations	Total
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ 7,231,618	\$ 1,411,616	\$ -	\$ 8,643,234
Adjustments to reconcile change in net assets to cash flows provided by operating activities:				
Depreciation and amortization	24,503	-	-	24,503
Change in operating assets and liabilities:				
Accounts receivable	(99,673)	13,273	731	(85,669)
Unconditional promises to give	(7,307,558)	(1,425,349)	-	(8,732,907)
Prepaid expenses	(33,051)	-	-	(33,051)
Accounts payable and accrued expenses	631,123	11,692	(731)	642,084
Accrued benefits	3,991	-	-	3,991
Deferred rent	(67,249)	-	-	(67,249)
<b>Net cash provided by operating activities</b>	<u>383,704</u>	<u>11,232</u>	<u>-</u>	<u>394,936</u>
<b>Cash flows from investing activities:</b>				
Payment of rental deposits	(1,200)	-	-	(1,200)
Purchases of certificates of deposit	(21,579,586)	(1,775,000)	-	(23,354,586)
Proceeds from redemptions of certificates of deposit	21,325,000	1,775,000	-	23,100,000
<b>Net cash (used in) investing activities</b>	<u>(255,786)</u>	<u>-</u>	<u>-</u>	<u>(255,786)</u>
<b>Net increase in cash and cash equivalents</b>	127,918	11,232	-	139,150
<b>Cash and cash equivalents - beginning of year</b>	<u>2,336,451</u>	<u>189,400</u>	<u>-</u>	<u>2,525,851</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 2,464,369</u>	<u>\$ 200,632</u>	<u>\$ -</u>	<u>\$ 2,665,001</u>

The accompanying notes are an integral part of these financial statements.

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Cash Flows  
For the Year Ended December 31, 2012

**DRAFT**

	Community Catalyst, Inc.	Community Catalyst Action Fund, Inc.	Eliminations	Total
<b>Cash flows from operating activities:</b>				
Change in net assets	\$ (1,004,803)	\$ (323,457)	\$ -	\$ (1,328,260)
Adjustments to reconcile change in net assets to cash flows provided by operating activities:				
Depreciation and amortization	24,503	-	-	24,503
Change in operating assets and liabilities:				
Accounts receivable	(125,204)	(13,273)	8,663	(129,814)
Unconditional promises to give	492,579	487,891	-	980,470
Prepaid expenses	(434)	-	-	(434)
Accounts payable and accrued expenses	(7,446)	8,202	(8,663)	(7,907)
Accrued benefits	14,144	-	-	14,144
Deferred rent	(43,968)	-	-	(43,968)
<b>Net cash (used in) provided by operating activities</b>	<b>(650,629)</b>	<b>159,363</b>	<b>-</b>	<b>(491,266)</b>
<b>Cash flows from investing activities:</b>				
Payment of rental deposits	(1,829)	-	-	(1,829)
Refund from rental deposits	2,914	-	-	2,914
Purchases of certificates of deposit	(3,466,553)	(100,000)	-	(3,566,553)
Proceeds from redemptions of certificates of deposit	4,126,000	-	-	4,126,000
Purchase of office equipment	-	-	-	-
<b>Net cash provided by (used in) investing activities</b>	<b>660,532</b>	<b>(100,000)</b>	<b>-</b>	<b>560,532</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,903</b>	<b>59,363</b>	<b>-</b>	<b>69,266</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>2,326,548</b>	<b>130,037</b>	<b>-</b>	<b>2,456,585</b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ 2,336,451</b>	<b>\$ 189,400</b>	<b>\$ -</b>	<b>\$ 2,525,851</b>

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Functional Expenses  
For the Year Ended December 31, 2013

**DRAFT**

COMMUNITY CATALYST, INC.

	Voices for Better Health	New England Alliance for Children's Health	External Affairs	Roadmaps to Health	Prescription Access & Quality Programs	Hospital Account- ability Project	State Consumer Advocacy Programs	Dental Access Project	Community Builder Incubator	Manage- ment Services	Communi- cations
Salaries and wages	\$ 324,184	\$ 92,620	\$ 100,112	\$ 254,209	\$ 211,403	\$ 127,173	\$ 1,029,355	\$ 290,855	\$ -	\$ 501,442	\$ 158,608
Payroll taxes	26,919	7,691	8,574	21,108	17,554	10,560	85,472	24,151	-	38,259	13,170
Employee benefits	52,343	14,955	16,164	41,045	34,134	20,533	166,201	46,962	-	85,823	25,609
Program consulting	82,385	9,750	127,136	198,030	50,497	17,750	230,914	48,500	-	370,909	80,808
Professional fees	3,800	401	710	2,675	1,319	-	68	488	-	18,177	32,285
Temporary services	662	-	-	-	-	-	732	-	-	24,346	-
Contracted staffing	-	-	-	-	-	-	-	-	-	-	-
Subgrants	550,000	25,000	-	-	-	30,000	5,598,133	-	-	340,120	-
Meetings and events	37,018	5,279	893	27,267	2,207	1,692	102,077	62,066	149	8,721	378
Travel	43,809	11,767	27,052	32,948	17,756	6,710	122,707	125,871	-	71,112	4,225
Telecommunications	4,966	1,474	1,342	11,757	4,342	829	19,070	7,686	-	9,427	3,700
Occupancy	-	-	2,713	-	-	-	3,600	-	616,225	27,908	-
Printing and mailing	2,202	786	3,481	1,234	1,508	506	9,591	1,289	-	4,728	272
Supplies	1,200	432	1,252	908	275	304	3,827	533	309	9,002	613
Staff development	6,159	445	416	2,238	1,428	2,585	13,046	1,701	-	5,837	878
Advertising	235	-	420	375	100	140	437	-	-	994	-
Dues and subscriptions	979	18	894	180	832	126	714	30	450	2,289	12,087
Fees	536	15	141	19	1,172	536	635	-	-	898	5,718
Insurance	812	-	-	-	2,812	812	18	-	-	-	-
Equipment and maintenance	4,777	-	4,020	2,672	2,130	1,641	8,746	2,173	1,124	5,200	29
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Administrative fee	-	-	-	-	-	-	-	-	-	136,519	-
Royalty fees	-	-	-	-	-	-	-	-	-	-	-
Facility allocation	-	-	-	-	-	-	-	-	-	-	-
Communication allocation	45,260	14,952	31,521	33,945	25,055	17,781	132,548	29,500	(389,156)	-	-
Administrative allocation	153,359	50,663	97,959	115,020	84,896	60,248	431,424	99,957	-	-	(362,891)
Total expenses	\$1,341,605	\$ 236,248	\$ 424,800	\$ 745,630	\$ 459,420	\$ 299,976	\$ 7,959,315	\$ 741,762	\$ 229,101	\$ 1,661,711	\$ 32,999

**DRAFT**

**COMMUNITY CATALYST ACTION  
FUND, INC.**

Total Program	Management and		Total	Program	Management and		Total	Eliminations	Combining Totals
	General	Fundraising			General	Fundraising			
\$ 3,089,961	\$ 602,123	\$ 175,074	\$ 3,867,158	\$ -	\$ -	\$ -	\$ -	\$ 3,867,158	
253,458	49,374	14,537	317,369	-	-	-	-	317,369	
503,769	55,776	28,268	587,813	-	-	-	-	587,813	
1,216,679	10,946	116,432	1,344,057	-	-	-	-	1,344,057	
59,923	114,285	6,859	181,067	4,751	-	4,751	-	185,818	
25,740	24,337	4,450	54,527	-	-	-	-	54,527	
-	26,875	-	26,875	-	-	-	-	26,875	
6,543,253	-	-	6,543,253	471,913	-	471,913	-	7,015,166	
247,747	15,937	42,855	306,539	100	-	100	-	306,639	
463,957	32,104	3,570	499,631	-	-	-	-	499,631	
64,593	8,894	3,352	76,839	-	-	-	-	76,839	
650,446	-	-	650,446	-	-	-	-	650,446	
25,597	6,525	5,590	37,712	-	-	-	-	37,712	
18,655	25,275	2,093	46,023	-	-	-	-	46,023	
34,733	23,601	40	58,374	-	-	-	-	58,374	
2,701	435	885	4,021	-	-	-	-	4,021	
18,599	7,487	825	26,911	19	-	19	-	26,930	
9,670	7,849	5,959	23,478	50	-	50	-	23,528	
4,454	11,428	-	15,882	-	-	-	-	15,882	
32,512	13,726	2,419	48,657	-	-	-	-	48,657	
-	24,503	-	24,503	-	-	-	-	24,503	
136,519	-	-	136,519	-	37,500	37,500	(37,500)	136,519	
-	150,000	-	150,000	-	-	-	-	150,000	
(389,156)	389,156	-	-	-	-	-	-	-	
(32,329)	-	32,329	-	-	-	-	-	-	
1,151,036	(1,260,578)	109,542	-	-	-	-	-	-	
\$ 14,132,517	\$ 340,058	\$ 555,079	\$ 15,027,654	\$ 476,833	\$ 37,500	\$ 514,333	\$ (37,500)	\$ 15,504,487	

The accompanying notes are an integral part of these financial statements.

COMMUNITY CATALYST, INC. AND AFFILIATE

Combining Statement of Functional Expenses  
For the Year Ended December 31, 2012

**DRAFT**

COMMUNITY CATALYST, INC.

	Voices for Better Health	New England Alliance for Children's Health	Roadmaps to Health	Prescription Access & Quality Programs	Hospital Accountability Project	State Consumer Advocacy Programs	Dental Access Project	Community Builder Incubator	Management Services	Communications	Total Program
Salaries and wages	\$ 233,018	\$ 103,839	\$ 250,720	\$ 217,298	\$ 123,287	\$ 968,152	\$ 250,162	\$ -	\$ 379,123	\$ 143,070	\$ 2,668,669
Payroll taxes	18,312	8,160	19,666	17,077	9,689	76,085	19,660	-	31,868	11,244	211,761
Employee benefits	37,380	16,657	40,143	34,857	19,777	155,306	40,130	-	85,735	22,951	452,936
Program consulting	93,945	11,573	196,981	70,268	12,262	277,280	96,343	-	94,933	67,409	920,994
Professional fees	3,107	263	71	-	726	7,496	-	-	64,129	2,417	78,209
Temporary services	-	1,000	-	13,871	-	-	-	-	25,045	-	39,916
Contracted staffing	-	-	-	-	-	-	-	-	-	-	-
Subgrants	200,000	-	-	-	-	2,531,636	-	-	493,714	-	3,225,350
Meetings and events	26,173	3,484	22,817	4,527	16,576	71,305	64,123	-	9,129	160	218,294
Travel	38,021	9,055	35,321	11,779	16,767	111,197	86,590	-	75,971	7,034	391,735
Telecommunications	4,228	1,510	16,134	5,664	1,743	24,317	11,160	-	8,921	2,814	76,491
Occupancy	-	-	-	-	-	-	-	613,788	24,001	-	637,789
Printing and mailing	1,601	895	1,299	7,128	1,541	5,447	1,336	2	7,682	1,058	27,989
Supplies	755	1,077	1,752	315	132	4,546	860	65	5,308	257	15,067
Staff development	3,139	1,435	4,031	1,203	1,731	14,363	1,959	-	6,240	1,223	35,324
Dues and subscriptions	50	50	140	1,676	418	325	556	550	734	9,244	13,743
Fees	-	95	-	85	-	120	-	-	78	7,031	7,409
Insurance	1,024	-	-	3,024	1,024	-	-	-	-	-	5,072
Equipment and maintenance	1,425	699	2,181	349	-	2,399	3,180	2,034	3,073	744	16,084
Depreciation	-	-	-	-	-	-	-	-	-	-	-
Administrative fee	-	-	-	-	-	-	-	-	-	-	-
Royalty fees	-	-	-	-	-	-	-	-	131,569	-	-
Facility allocation	-	-	-	-	-	-	-	-	-	-	-
Communication allocation	30,933	18,460	31,931	25,944	16,963	145,685	36,421	(355,369)	-	-	(355,369)
Administrative allocation	89,476	53,397	92,362	75,044	49,068	421,404	105,351	-	-	(337,269)	(30,932)
Total expenses	\$ 782,587	\$ 231,649	\$ 715,549	\$ 490,109	\$ 271,704	\$ 4,817,063	\$ 717,831	\$ 261,070	\$ 1,447,253	\$ 60,613	\$ 9,734,815

The accompanying notes are an integral part of these financial statements.

**DRAFT**

COMMUNITY CATALYST ACTION  
FUND, INC.

Management and General	Fundraising		Total	Program	Management and General		Fundraising	Total	Eliminations	Combining Totals
\$ 605,038	\$ 155,177	\$ 3,428,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,428,884
62,824	12,195	286,780	-	-	-	-	-	-	-	286,780
57,349	24,893	535,178	-	-	-	-	-	-	-	535,178
85,674	119,194	1,125,862	17,820	-	-	-	17,820	(17,820)	-	1,125,862
72,506	-	150,715	13,800	-	-	-	13,800	-	-	164,515
50,474	-	90,390	-	-	-	-	-	-	-	90,390
14,086	-	14,086	-	-	-	-	-	-	-	14,086
62,500	-	3,287,850	301,520	-	-	-	301,520	-	-	3,589,370
21,856	2,454	242,604	-	-	-	-	-	-	-	242,604
22,960	8,500	423,195	-	-	-	-	-	-	-	423,195
5,469	3,878	85,838	-	-	-	-	-	-	-	85,838
-	-	637,789	-	-	-	-	-	-	-	637,789
10,213	3,236	41,438	296	-	-	-	296	-	-	41,734
13,302	1,515	29,884	-	-	-	-	-	-	-	29,884
6,083	1,300	42,707	-	-	-	-	-	-	-	42,707
6,427	804	20,974	-	-	-	-	-	-	-	20,974
7,183	3,939	18,531	313	-	-	-	313	-	-	18,844
11,657	-	16,729	-	-	-	-	-	-	-	16,729
12,384	727	29,195	-	-	-	-	-	-	-	29,195
24,503	-	24,503	-	-	-	-	-	-	-	24,503
-	-	131,569	-	-	30,000	-	30,000	(30,000)	-	131,569
120,170	-	120,170	-	-	-	-	-	-	-	120,170
355,369	-	-	-	-	-	-	-	-	-	-
-	30,932	-	-	-	-	-	-	-	-	-
(1,036,191)	89,476	-	-	-	-	-	-	-	-	-
<u>\$ 591,836</u>	<u>\$ 458,220</u>	<u>\$ 10,784,871</u>	<u>\$ 333,749</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 363,749</u>	<u>\$ (47,820)</u>	<u>\$ 11,100,800</u>		

## COMMUNITY CATALYST, INC. AND AFFILIATE

### Notes to Financial Statements

**DRAFT**

#### 1. Organization Purpose

##### *Community Catalyst*

Community Catalyst, Inc. is a national non-profit advocacy organization dedicated to quality affordable health care for all. Since 1997, Community Catalyst has been working to build the consumer and community leadership required to transform the American health system. With the belief that this transformation will happen when consumers are fully engaged and have an organized voice, Community Catalyst works in partnership with national, state, and local consumer organizations, policymakers, and foundations, providing leadership and support to change the health care system so it serves everyone- especially vulnerable members of society.

##### *Community Catalyst Action Fund*

Community Catalyst Action Fund (the "Action Fund") was incorporated on May 12, 2011. The Action fund was created as an organization described under IRS section 501(c)(4) (social welfare organization) in order to assist in the implementation of the Affordable Care Act (ACA). The Action Fund provides support for state-based health advocacy to ensure that health reform reflects consumer interests and concerns, especially those of low-income and vulnerable populations. Thus, the combining financial statements reflect the Action Fund's activities, cash flows, and functional expenses.

The by-laws of the Action Fund provide that its Board of Directors shall be appointed by the Board of Community Catalyst, Inc. In addition, The Action Fund has entered into a resource sharing agreement with Community Catalyst whereby Community Catalyst employees provide programmatic and support services, including accounting, fundraising, and other administrative services. It also reimburses Community Catalyst for shared office space and office equipment use.

##### Community Catalyst Programs:

Community Catalyst operates a variety of programs as follows:

**Voices for Better Health (VBH) (formerly Integrated Care Advocacy Project)** works to promote models of integrated care that place individuals and families at the center of care planning and delivery and that coordinates care across medical and non-medical services, from acute to long-term settings.

**New England Alliance for Children's Health (NEACH)** works to expand coverage and improve access to quality health care for children in all six New England States. The project is a regional partnership of hospitals, advocates, healthcare providers, business leaders, interfaith organizations, and consumers. NEACH weaves together an innovative model for expanding children's public and private health care coverage through proactive policy development, information sharing and public outreach at both the federal and state levels.

**External Affairs** focuses on working with Community Catalyst's external interactions with many national organizations and federal policymakers. It includes all of our government affairs work and the support we need to be effective in managing our external presence in Washington, DC. It also includes some additional projects that lie outside the scope of our larger project areas. One of these projects is *In the Loop*, a national online community of enrollment specialists from across the country who work problem-solve enrollment issues together and provide critical feedback to policymakers.

## COMMUNITY CATALYST, INC. AND AFFILIATE

### Notes to Financial Statements

---

**DRAFT**

#### 1. Organization Purpose (continued)

##### *Community Catalyst Programs (continued)*

**Roadmaps to Health (R2H)** is a grant program managed by Community Catalyst and is part of the *County Health Rankings & Roadmaps* program, a collaboration of the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute. The program currently provides 30 grants of up to \$200,000 to organizations working as part of a coalition or network and pursuing policy or systems change that addresses key social or economic factors that influence health- such as education, income and employment, family and social support, and community safety.

**Prescription Access & Quality (PAQ) program**, which consists of Prescription Project and Prescription Access Litigation, works to improve prescription drug policies to ensure that consumers have access to safe, affordable and appropriate drugs. Prescription drug benefits are essential to any health care program, but inappropriate marketing and prescribing – as well as a lack of manufacturing safeguards – undermines quality of care and affordability. This program develops model public policies, legal tools and campaign strategies for consumers, physician organizations and health plans to deploy in their advocacy work.

**Hospital Accountability Project (HAP)** works with advocates across the country to implement hospital practices that protect families from financial devastation due to medical debt, allow the uninsured and underinsured to seek and receive needed health care services, and regularly involve the community in health planning. HAP also works nationally to promote public policies that set clear standards for hospital community benefits and financial assistance.

**State Consumer Health Advocacy Program (SCHAP)** provides a broad range of support to build local consumer advocacy and change state health policy. SCHAP consists of two main projects, Consumer Voices for Coverage (CVC) and the Affordable Care Act Implementation Fund (ACAIF). CVC began in 2008, laying the groundwork for a successful advocacy environment before, during and after passage of the ACA. Initiated in 2011, ACAIF funds state based groups to work on implementing the ACA. States will play a critical role in the implementations of the national health reform law, and have long been a laboratory for health care reform policies, paving the way for national reform. Community Catalyst manages and provides (with assistance from national partners) comprehensive technical assistance to states involved in the SCHAP program, including policy, communications, evaluation, and capacity-building support. In 2013, the CVC program received additional resources to facilitate outreach and enrollment campaigns among the grantees, in preparation for the beginning of open enrollment of the Affordable Care Act health insurance Marketplaces.

**The Dental Access Project** is focused on expanding access to oral health care by working with state advocates to promote innovative workforce solutions. The project aims to expand the successful deployment of dental therapists to provide care to rural and low-income populations without access to dental care.

Through the **Community Builder Incubator**, Community Catalyst administers shared office space and services in downtown Boston for several Massachusetts-based organizations. Proximity to each other facilitates programmatic collaboration among several of these organizations and Community Catalyst.

**Management Services** provides management support to projects on their way to becoming stand alone nonprofit organizations. In 2013 and 2012, Community Catalyst provided services to the Community Learning Partnership and MergerWatch.

# COMMUNITY CATALYST, INC. AND AFFILIATE

## Notes to Financial Statements

---

**DRAFT**

### 1. Organization Purpose (continued)

**Organizational Development** is Community Catalyst's effort to increase its effectiveness and viability through communications and development, while its **Communications** department works to promote the work of the Organization and its projects and partners through public relations, publications, web and online tools, and traditional and new media. The department also provides communications support and tools to assist and build the capacity of state consumer organizations working with Community Catalyst to change the health care system so it serves everyone.

#### Community Catalyst Action Fund Program:

**Affordable Care Act Implementation Fund (ACAIF)** provides new support to state-based health advocates in the form of grants which will be used to ensure effective and consumer-focused implementation of the Affordable Care Act.

### 2. Summary of Significant Accounting Policies

#### *Basis of Combination*

The members of the Board of Directors of Community Catalyst appoint the members of the Board of Directors of the Action Fund (referred to Community Catalyst's affiliate in these financial statements). Accordingly, these combining financial statements include the accounts of Community Catalyst, Inc. and Affiliate. Intercompany accounts and transactions have been eliminated. Community Catalyst, Inc. and Affiliate are referred to as "the Organizations" in these financial statements, unless otherwise indicated.

#### *Financial Statement Presentation*

In order to ensure the observance of limitations and restrictions placed on the use of resources available to the Organizations, the Organizations determine the classification of their net assets and their revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions.

The net assets of the Organizations are reported in three categories as follows:

1. Unrestricted net assets represent the portion of expendable resources available for support of the Organization's general operations.
2. Temporarily restricted net assets represent resources restricted by donors for a specific period or purpose.
3. Permanently restricted net assets represent the principal invested which cannot be expended. Income on these invested endowment funds is utilized in accordance with the donors' stipulations.

#### *Cash and Cash Equivalents*

Cash and cash equivalents consist of checking and savings accounts at banks and money market accounts. Certificates of deposits having maturities of three months or less are also reported as cash and cash equivalents.

# COMMUNITY CATALYST, INC. AND AFFILIATE

## Notes to Financial Statement

**DRAFT**

### 2. Summary of Significant Accounting Policies (continued)

#### *Certificates of Deposit*

Certificates of deposit having maturities of greater than 90 days and less than one year are separately reported. The carrying amounts of certificates of deposit approximate fair value due to the short term nature of the items.

#### *Property and Equipment*

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are stated at cost. Expenditures for maintenance, repairs, and renewals are charged to expense when incurred, whereas major additions are capitalized.

Provisions for depreciation are made using the straight-line method over the estimated useful life of the asset. The estimated useful lives are as follows:

Furniture	5 years
Equipment	3 – 5 years
Leasehold improvements	Lease term

#### *Revenue and Support*

All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

The Organizations receive various types of in-kind support in the form of contributed services and other assets. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, as provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of marketable securities and other tangible assets, such as property, equipment and inventory, are recognized at fair market value when received.

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are due to be received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Service fee revenue is earned for consulting services provided by Community Catalyst.

Rent income and expense are recognized on the straight line basis over the lease term. Deferred rent represents the cumulative difference between escalating rents due over the lease term and rent recognized on the straight line basis.

#### *Functional Allocation of Expenses*

The costs of operating the various programs of the Organizations have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain indirect costs have been allocated among programs and supporting services benefited.

# COMMUNITY CATALYST, INC. AND AFFILIATE

## Notes to Financial Statements

---

**DRAFT**

### 2. Summary of Significant Accounting Policies (continued)

#### *Use of Estimates and Subsequent Events*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The Organizations' management has evaluated the effect which subsequent events may have on these financial statements. Management's evaluation was completed on June 6, 2014, the date these financial statements became available to be issued. No events have occurred subsequent to the balance sheet date and through the date of evaluation that meet the criteria required for disclosure or accrual.

#### *Income Taxes*

Community Catalyst Inc.'s activities are described in Internal Revenue Code Section 501(c)(3), and therefore it is exempt from federal income taxes. Community Catalyst Action Fund, Inc. operates as a social welfare organization described in Internal Revenue Code Section 501(c)(4), and it is exempt from federal income taxes. The Organizations are also exempt from Massachusetts income tax under Massachusetts General Law Chapter 180.

The Organizations have evaluated the tax positions taken on returns for open years and those expected to be taken on returns for the year ended December 31, 2013. It is management's belief that such tax positions are more likely than not to be sustained upon examination by tax authorities. Accordingly, no liability for uncertain tax positions has been reflected in these financial statements. Tax returns for tax years beginning with those filed for 2010 are open to examination.

#### *Reclassification*

Certain amounts from 2012 have been reclassified on these financial statements in order to conform to 2013 presentation.

### 3. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect on outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and a corresponding reserve based on its assessment of the current status of individual accounts. Balances that were still outstanding after management had used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. As of December 31, 2013 and 2012, no bad debt reserves were deemed necessary.

# COMMUNITY CATALYST, INC. AND AFFILIATE

## Notes to Financial Statements

**DRAFT**

### 4. Unconditional Promises to Give

Unconditional promises to give at December 31, 2013 and 2012 are as follows:

	2013			2012		
	Community Catalyst	Action Fund	Total	Community Catalyst	Action Fund	Total
Receivable in one year or less	\$ 8,978,180	\$ 500,000	\$ 9,478,180	\$ 2,233,715	\$ 500,000	\$ 2,733,715
Between one and three years	2,001,528	1,500,000	3,501,528	1,405,331	-	1,405,331
Net present value discount	(69,499)	(74,651)	(144,150)	(36,395)	-	(36,395)
	<u>\$ 1,932,029</u>	<u>\$ 1,425,349</u>	<u>\$ 3,357,378</u>	<u>\$ 1,368,936</u>	<u>\$ -</u>	<u>\$ 1,368,936</u>

The present value of estimated future cash flows has been determined utilizing a discount rate of approximately 3% for the years ended December 31, 2013 and 2012. Unconditional promises to give are reported at the amount management expects to collect on outstanding balances. As of December 31, 2013 and 2012, no bad debt reserves were deemed necessary.

### 5. Property and Equipment

At December 31, 2013 and 2012, property and equipment consisted of the following:

	2013			2012		
	Community Catalyst	Action Fund	Total	Community Catalyst	Action Fund	Total
Furniture and equipment	\$ 115,312	\$ -	\$ 115,312	\$ 115,312	\$ -	\$ 115,312
Less: accumulated depreciation	(108,741)	-	(108,741)	(84,238)	-	(84,238)
	<u>\$ 6,571</u>	<u>\$ -</u>	<u>\$ 6,571</u>	<u>\$ 31,074</u>	<u>\$ -</u>	<u>\$ 31,074</u>

# COMMUNITY CATALYST, INC. AND AFFILIATE

## Notes to Financial Statements

DRAFT

### 6. Line of Credit

Community Catalyst has a revolving line-of-credit with its bank permitting advances up to \$250,000. Advances bear interest at the prime rate plus 1.25% (or 4.5%). The line of credit is secured and collateralized by the assets of the Community Catalyst. There were no borrowings on the line during the years ended December 31, 2013 and 2012.

### 7. Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2013 and 2012 consisted of the following:

	2013			2012		
	Community Catalyst	Action Fund	Total	Community Catalyst	Action Fund	Total
Voices for Better Health	\$ 2,238,678	\$ -	\$ 2,238,678	\$ -	\$ -	\$ -
New England Alliance for Children's Health	395,897	-	395,897	141,500	-	141,500
External Affairs	310,436	-	310,436	-	-	-
Roadmaps to Health	369,617	-	369,617	346,425	-	346,425
Prescription Access & Quality	327,858	-	327,858	641,472	-	641,472
Hospital Accountability Project	138,707	-	138,707	269,652	-	269,652
State Consumer Advocacy	7,736,669	2,201,872	9,938,541	3,213,325	785,936	3,999,261
Dental Access Project	314,250	-	314,250	874,829	-	874,829
Management Services	2,002,705	-	2,002,705	1,585,780	-	1,585,780
	<u>\$13,834,817</u>	<u>\$ 2,201,872</u>	<u>16,036,689</u>	<u>\$ 7,072,983</u>	<u>\$ 785,936</u>	<u>\$ 7,858,919</u>

Net assets released from restrictions during the years ended December 31, 2013 and 2012 were as follows:

	2013			2012		
	Community Catalyst	Action Fund	Total	Community Catalyst	Action Fund	Total
Voices for Better Health	\$ 1,354,928	\$ -	\$ 1,354,928	\$ 680,594	\$ -	\$ 680,594
New England Alliance for Children's Health	185,603	-	185,603	219,829	-	219,829
External Affairs	442,184	-	442,184	-	-	-
Roadmaps to Health	750,336	-	750,336	711,502	-	711,502
Prescription Access & Quality	340,020	-	340,020	516,331	-	516,331
Hospital Accountability Project	230,945	-	230,945	243,348	-	243,348
State Consumer Advocacy	8,270,961	509,413	8,780,374	5,098,392	339,020	5,437,412
Dental Access Project	567,239	-	567,239	528,333	-	528,333
Management Services	1,435,033	-	1,435,033	1,329,496	-	1,329,496
Organizational Development	25,024	-	25,024	-	-	-
	<u>\$ 13,602,273</u>	<u>\$ 509,413</u>	<u>\$ 13,669,502</u>	<u>\$ 9,327,825</u>	<u>\$ 339,020</u>	<u>\$ 9,666,845</u>

# COMMUNITY CATALYST, INC. AND AFFILIATE

## Notes to Financial Statements

**DRAFT**

### 7. Temporarily Restricted Net Assets (continued)

From time to time indirect costs are allocated to the respective programs as provided in the grant agreements. Accordingly, amounts released from restrictions for programmatic purposes may differ from amounts reported in the statement of functional expenses.

### 8. Retirement Plan

Community Catalyst provides a defined contribution retirement plan covering all eligible employees. Community Catalyst's contributions to the plan totaled \$166,136 and \$157,781 for the years ended December 31, 2013 and 2012, respectively.

### 9. Concentration Risks

Community Catalyst received 41% of total revenue and support from three funders for the year ended December 31, 2013 and 38% of total revenue and support from two funders for the year ended December 31, 2012.

The Action Fund received 100% of total revenue and support from one funder for the year ended December 31, 2013 and 31% of total revenue and support from two funders for the year ended December 31, 2012.

Community Catalyst and the Action Fund have a potential concentration of credit risk in that they maintain deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The maximum deposit insurance amount is \$250,000 for interest-bearing accounts, which is applied per depositor, per insured depository institution for each account ownership category.

### 10. Lease Commitments

Community Catalyst rents office space in Boston, Massachusetts under a ten-year lease expiring September 30, 2014. Future minimum annual lease payments are as follows:

2014	\$	483,252
Less: sublease payments		220,629
	\$	<u>262,623</u>

Community Catalyst also leases office space in New York City and St. Louis on either a tenant-at-will basis or with agreements having terms of short duration.

Rent expense totaled \$551,206 and \$540,986 for the years ended December 31, 2013 and 2012.

**Notes to Financial Statements**

---

**11. Commitments and Royalties**

In 2008, Community Catalyst sold the assets of its former subsidiary, RealBenefits, Inc., (currently named "Transengen") a software sales company, in exchange for \$600,000 receivable in future annual royalty installments of \$150,000, commencing in 2010 and terminating in 2013. In addition, in order to prepare RealBenefits, Inc. for sale, RealBenefits restructured its long-term debt whereby the lender and the software developer released Community Catalyst from its obligation under its former loan and intellectual property agreements in exchange for future royalty payments that Community Catalyst receives from the buyer. Accordingly, during the years ended December 31, 2013 and 2012, royalty payments received from the buyer were remitted to the developer and lenders

The debt restructuring agreements provide for the obligations to the developer and lender to be contingent solely upon receipt of the installment payments from the buyer. Accordingly, a receivable for the installment payments as well as the corresponding liability for the purchase of the intellectual property and debt restructuring have not been recorded in these financial statements.

**12. Related Party Transactions**

For the years ended December 31, 2013 and 2012, Community Catalyst recorded in-kind contributions of \$100,000 for the services provided by the President of the Board of Directors.

Additionally, during the year ended December 31, 2012, Community Catalyst paid salary expenses of \$74,699 to an individual who was a staff member of the Community Learning Partnership and who also serves on the Board of Directors of Community Catalyst.

The President of the Board of Directors is one of the former lenders to RealBenefits, Inc, and is entitled to receive a pro rata share of installment payments and royalties as described in Note 11. Accordingly, amounts payable to the President of the Board of Directors as of December 31, 2013 and 2012 were \$75,000 and \$12,315, respectively.

**13. Subsequent Event**

In April 2014, the Community Catalyst entered into a sublease for new office space. The ten year lease, estimated to begin on or about October 1, 2014, provides for the lease by Community Catalyst of approximately 19,900 square feet of space in Boston, Massachusetts. Base annual rent is initially set at approximately \$53,100 per month. Total base rent payable over the lease period is \$7,263,500. In addition, Community Catalyst is in the process of negotiating new sublease agreements with its current sublessees.



## Memorandum from the Office of Development

**TO: BOARD OF DIRECTORS**  
**FROM: DIANE M. FELICIO, PH.D., DIRECTOR OF DEVELOPMENT**  
**DATE: MAY 5, 2014**  
**RE: BOARD APPROVED CONFLICT OF INTEREST POLICY**

---

The Conflict of Interest Policy was approved at the March 2014 Board meeting with the understanding that the modifications detailed here would be made. All modifications have since been made and the final version of the Policy is attached.

1. Added a statement that Community Catalyst has a long history of advocating for rigorous conflict of interest policies and that we are subject to this same level of accountability.
2. Added a statement that we will not accept gifts from the tobacco or pharmaceutical industries.
3. Added a statement that in-kind gifts from will be assessed using the same criteria as cash gifts and grants.
4. Added a statement that Community Catalyst will inform the Board of any circumstances for which we have to invoke the Conflict of Interest policy.
5. Drafted a “scenarios” document, for internal use, that details actual and hypothetical situations of how and when we will use the Conflict of Interest policy.

**Community Catalyst**  
**Conflict of Interest Policy for Industry<sup>1</sup> Gifts, Grants, and Contracts**  
**March 2014<sup>2</sup>**

Community Catalyst’s mission is to build an organized consumer voice that plays a critical role in changing the American health system so that it works for everyone, especially vulnerable populations. As a national advocacy organization, Community Catalyst provides leadership and support to state and local consumer organizations, policymakers, and foundations that are working to guarantee access to high-quality affordable health care for all.

Collaboration is one of Community Catalyst’s five core values<sup>3</sup>. We know that in order to realize our mission, we must enter into alliances with a broad and diverse spectrum of partners. Many of these partners share our interests and support all aspects of our work. However, from time to time we work with partners who support only some of our specific projects and may do so out of self-interest. Some of these partners may be from a segment(s) of the health care industry that may not be fully aligned with our agenda. We are aware that at any given time there may be competing interests at play. Therefore, it is important that no undue influence, either real or in appearance, is exercised in the context of accepting gifts or negotiating grants or contracts; we need to ensure that the nature of our relationships with our partners does not compromise our policies or practices or our ability to carry out our mission. Further, we recognize that as an organization that has a long history of advocating for strong conflict of interest policies (e.g., in relation to physicians and their gift acceptance practices), we must hold ourselves to these same high standards.

**Purpose of Gift Acceptance Policy**

We are committed to full transparency in reporting on industry funding sources. The following policy was developed to help guide the senior leadership, Board, and staff of Community Catalyst in their assessment of gifts, contracts and grants, in particular those gifts, contracts and grants that, in reality or in appearance, may pose a conflict of interest for the organization.

**Decision-Making Authority**

The Board of Directors of Community Catalyst has approved these guidelines and has delegated to a group composed of the Executive Director, Chief Operating Officer, Director of Development, and the Director of Finance and Operations the authority to resolve in accordance with these guidelines questions and issues that arise about engaging with industry members on matters related to gifts, grants, and contracts. The Senior Management Team will be consulted before any final decisions are made. Lead program/project staff will be consulted when gifts,

---

<sup>1</sup> For the sake of this policy, “Industry” refers to gifts, grants, and contracts from health insurers, pharmaceutical companies, providers, law firms, trade associations and any private corporations with a direct financial interest in the health care industry.

<sup>2</sup> This version reflects input and a final review by our attorney, Paul Murphy, of Harmon, Curran, Spielberg + Eisenberg, LLP

<sup>3</sup> Empowerment, Pragmatism, Diversity, and Learning are our other core values.

grants, or contracts have potential direct repercussions for their areas of work. In order to guard against “groupthink,” independent, outside sources may be consulted, especially if/when a significant cadre of the Community Catalyst staff are involved with the project in question and the decision about whether or not to accept funding from a source that would raise potential conflicts.

The Executive Director has final authority to decide whether Community Catalyst will accept or pursue any particular gifts, grants, or contracts; questions or disputes that arise about doing so; and the application of any aspect of this policy.

### **Assessment Criteria**

Community Catalyst reserves the right to decline any gift, grant, or contract, that does not further the mission or goals of the organization or that may expose it to adverse publicity, require undue expenditures, or involve the organization in unexpected obligations because of the gift, grant, or contract’s source, condition or purposes.

All gifts, grants, and contracts from/with industry members and/or their legal representatives will be reviewed on a case-by-case basis. Community Catalyst will accept gifts, grants, and contracts from these entities for specific projects and programs only if and when these funds will advance goals aligned with Community Catalyst’s mission. The following guidelines will inform our decision-making:

- As a general rule, we will not accept gifts from the tobacco and/or the pharmaceutical industry.
- Gifts with any indication of a quid pro quo exchange will not be accepted.
- The degree of mission alignment between Community Catalyst, the industry member, and the industry segment in question is relevant and will be factored into our decisions.
- Community Catalyst’s previous assessments of and/or reactions to the industry member and industry segment in question on issues that have direct implications for our work will be factored into our decisions.
- Gifts, grants, or contracts from industry segments and members that are current targets of a Community Catalyst campaign will not be accepted unless there is an extenuating circumstance that warrants special consideration (e.g., an industry *member* that wants to support an anti-industry *segment* campaign on a particular issue).
- Evidence that the industry member or industry segment seeks to partner with Community Catalyst to bolster their internal or public standing on an issue that has direct implications for our work will be factored into our decisions. For example, industry members in active litigation on an issue may benefit in reality or in appearance from an association with Community Catalyst. The nature of that litigation and the industry member’s position will be factored into our decisions.

- The relationship of geography to the designation and purpose of the gift, grant, or contract will be factored into our decisions. For example, industry segments and/or members may be viewed more positively in some parts of the country than others. Gifts, grants, and contracts designated for purposes where positive relations exist between industry and advocacy will be considered, assuming they meet the requirements set forth by these guidelines as a whole.
- Impact and Influence:
  - Industry gifts and grants of up to \$10,000 will generally be accepted, assuming they are assessed positively in relation to the guidelines noted above. Gifts and grants of \$10,000 or more will require greater due diligence. These assessments and decisions will be made by the people and process noted in “Decision-Making Authority.” All gifts and grants from a single industry member (e.g., one firm, corporation) or industry segment (e.g., all hospitals) in a fiscal year cannot exceed 10% of Community Catalyst’s overall budget.
  - Industry contracts for services up to \$10,000 will generally be accepted assuming they are assessed positively in relation to the guidelines noted above and payment is reasonable for services received. Contracts greater than \$10,000 will required greater due diligence. These assessments and decisions will be made by the people and process noted in “Decision-Making Authority.”
  - Consideration will also be given to frequency of giving. We recognize that the need or reliance on returning to the same source for funding creates greater risk of conflict of interest.
- Matching gifts, in which industry members match employee charitable gifts, will be accepted.
- In-kind industry contributions will be accepted on a case by case basis. Depending on the value of the gift, in-kind gifts that defray operating expenses (i.e. food and beverage for special events) will generally be accepted. In-Kind gifts valued at/above \$10,000 will be assessed using the same due diligence outlined above for industry gifts and grants.
- The possible designation of funds from a gift, grant, or contract (i.e., to Community Catalyst for Community Catalyst, to Community Catalyst to be distributed as sub-grants, or to an external partner organization directly), and the extent to which it could implicate Community Catalyst, will be factored into our decisions.
- The potential reactions/perceptions by our peer and partner organizations and donors should Community Catalyst accept an industry gift, grant, or contract will also be considered.

## **Periodic Review**

The processes, criteria, and all other elements of this policy will be reviewed periodically by senior leadership (at minimum annually and/or on an as-needed basis should questions arise) and the Board (at minimum every two years, sooner should questions arise or if the Executive Director has requested that any amendments be made). Revisions will be made as deemed necessary and appropriate. The overall usefulness and effectiveness of the guidelines will be assessed as will their relevance in relation to Community Catalyst's mission and purpose, the health care landscape, and other factors pertinent to our work. Community Catalyst will inform the Board annually about any gifts—accepted or rejected—that required the use of the guidelines and criteria detailed above.

Policy approved by the Board of Trustees, March 2014



## Memorandum from the Office of Development

**TO: BOARD OF DIRECTORS**  
**FROM: DIANE M. FELICIO, PH.D., DIRECTOR OF DEVELOPMENT**  
**DATE: JUNE 2014**  
**RE: QUARTERLY REPORT ON DEVELOPMENT ACTIVITIES**

---

Along with the highlights documented below, two significant opportunities have been driving development related activities during the last quarter: 1. We hired a consultancy firm, Root Cause, to help us proceed with our business planning assessment and 2. We are preparing for an important site visit with The Atlantic Philanthropies in July.

1. **Business Planning** – Two separate, but related organizational drivers are behind this step: first, the Voices for Better Health program (VBH) has written in to its grant with The Atlantic Philanthropies an agreement to develop a business/sustainability plan for the Center for Consumer and Community Engagement. As Atlantic Philanthropies moves to spend down its assets over the next few years, grantees are expected to have sustainability plans in place. Second, in Goal 5 of the Community Catalyst Strategic Plan, we say we will hire a consultant to help us assess fee for service and other potential revenue streams for the organization. Root Cause ([www.rootcause.org](http://www.rootcause.org)), will be helping us with both steps. Carol Regan (for VBH) and I (for the organization as a whole) will be leading this effort and I am pleased to report that **Diane MacDonald** has agreed to serve as a Board representative. We expect to complete the first phase of this process (a business plan for VBH and input about our readiness and other potential business opportunities for Community Catalyst) by October. We will use results from this 6-month engagement to inform next steps for Community Catalyst (e.g., Are there indicators to suggest that there are potential revenue streams for other area of our work, e.g., Community Benefit?).
2. **CONFIDENTIAL:** Atlantic Philanthropies Site Visit – The details about this opportunity are unfolding, but representatives from Atlantic Philanthropies, including the foundation’s president, will be visiting Community Catalyst at the end of July to get a better understanding of our work, particularly related to delivery system reform and health system transformation. There is potential here for a very significant award from the foundation to help assure Community Catalyst’s sustainability over the long-term and a chance for us to make a notable mark in the health care sector on behalf on consumer advocates. We are working closely with our program officer, Sara Kay, to design the agenda for the visit. We have been told that the visit itself is not the chance to make an “ask,” but rather to position ourselves well in order to be invited to submit what would amount to a final award from the foundation before it dissolves. Rob will be attending the visit even though it will occur during his sabbatical.

**INDIVIDUAL CULTIVATION HIGHLIGHTS**

➤ **2014 Donor Cultivation and Stewardship Breakfast: Friday, May 9, 2014**

*Health Transformation Is Being Served: Will consumers be at the table?* Featuring: **Dr. David Blumenthal**, President, The Commonwealth Fund, **John O’Brien**, former CEO and President of UMASS/Memorial Health System; Mosakowski Distinguished Professor, Clark University; and (last minute addition) Michael Miller, Director, Strategic Policy, Community Catalyst (special thanks to Kavita Patel who was prepared and set to come, but was called away unexpectedly for medical reasons).

Attendance: 31 people attended (plus 10 CC staff). Our guests represented health care systems/hospitals, insurers, advocacy organizations, and academia.

Discussion Overview: The room was full and the discussion was interactive and lively. David, John, and Michael spoke at length about delivery system reform efforts, slowing the cost curve, challenges/successes in MA and in states across the country, and the role and challenges for consumer advocates. Feedback at and after the event was very positive. By all accounts we were successful at providing our guests with informative content, time to network, and a flavor of Community Catalyst’s agenda moving forward. In fact, more than two weeks after the event I saw one of the attendees who made of point of letting me know how timely and good the event was. Our host, Dean Richlin (who welcomed our guests on behalf of Foley Hoag), David Blumenthal, and John O’Brien all spoke highly to the audience about Community Catalyst and the importance of our role and work in Massachusetts and nationally. Very good marketing and visibility for the organization which is one of the key reasons we host these events annually.

**FOUNDATION AND PROGRAM HIGHLIGHTS**

**Proposals and Reports Submitted**

<b>FY14 (to date)</b>	<b>FY13</b>	<b>FY12</b>	<b>FY11</b>
16 Proposals	40 Proposals	36 Proposals	28 Proposals
26 Reports	48 Reports	49 Reports	41 Reports

**2014 Second Quarter Foundation/Program Highlights**

▪ **Prescription Program**

- We secured a new funder for Community Catalyst through the Prescription Project: the Edmund J. Safra Foundation. **We received \$55,700 for “Measuring the Effectiveness of Conflicts-of-Interest Policies at Medical Schools and Teaching Hospitals.”** The project builds on the work that Marcia Hams has led for the last eight years, most recently with co-investigator Susannah Rose and a working group of prominent compliance and medical leaders. Together, they

**Community Catalyst** is a national non-profit advocacy organization building consumer and community leadership to transform the American health care system.

[www.communitycatalyst.org](http://www.communitycatalyst.org)

developed a unique survey instrument to measure the progress that academic medical centers have made in their Conflict of Interest (COI) initiatives. The funded project aims to ensure that the instrument is widely accepted and effectively implemented throughout the academic medical community. The instrument will allow institutions to engage in the policy improvement process necessary to make their COI policies a true vehicle for reform.

- **NEACH**

- In February, we received a second RFP from one of our anonymous funders for \$250,000 to be used exclusively for sub-grants to states outside of New England (our initial grant from this same funder was to support our NEACH TA in Ohio, Virginia, and Arizona) to support their work on ACA implementation, Medicaid, and CHIP. We received word in May that this grant was approved. It marks the first opportunity for NEACH to award sub-grants outside the New England region.

- **Medicaid Expansion**

- A supporter of the ACA Implementation Fund since its inception, we were very pleased to be approached earlier this year by the HJW Foundation to submit a proposal to support Medicaid expansion efforts. **Our \$2,590,000 requested was approved.** These funds will be distributed through the ACA Implementation Fund. The RFP process is underway. *(NOTE: The HJW Foundation has requested anonymity in all public arenas. Please do not mention HJW/Wyss in relation to this award outside Community Catalyst.)*

- **Hospital Accountability/Community Benefit**

- Funds for HAP come from two key sources: the Kresge Foundation and the Surdna Foundation. Grants from both (three-year from Kresge, one year from Surdna) are due to close this year. We have been invited to submit a new, two-year proposal (likely \$100K/year) to Surdna, and we were invited to submit a letter of inquiry to Kresge. Due to timing issues, we will not be able to submit to Surdna until their next funding cycle later in the fall (they have just two cycles). Unfortunately, this will leave a somewhat unexpected 6-month gap in funding for HAP (the Senior Management and Finance teams are aware of this and have been scenario planning our various options). Fortunately, Kresge has a rolling deadline and we are moving as quickly as possible to submit the invited LOI; we are cautiously optimistic that we will be invited, then, to submit a proposal, but we will not know for sure until late June. Our relationships with both foundations are very strong, so although the gap in funding is not ideal, we are well-positioned for additional funding. We have also begun discussions with RWJF about HAP/community benefit and are hoping to move them toward interest in funding this area of work.

- **Roadmaps**

- The Roadmaps program will be undergoing changes and Community Catalyst's current role as "Policy Advocacy Lead" will be ending. We have, however, been

**Community Catalyst** is a national non-profit advocacy organization building consumer and community leadership to transform the American health care system.

[www.communitycatalyst.org](http://www.communitycatalyst.org)

invited to submit a proposal to serve in a new capacity as “Network Lead.” That proposal is due in early June. Among other things the Network Lead will be tasked with managing and administering two distinct funding programs – a rolling, rapid-response fund targeted to communities to help catalyze local action and a matching fund intended to engage state and local funders in efforts to improve community health. This grant will be for \$2M over two years with a possibility for renewal.

- **ACA Implementation Fund/SCHAP**

- We received \$400,000 from the Nathan Cummings Foundation to support the ACA Implementation Fund and our TA to ACAIF states. A long-time Community Catalyst funder and founding funder of the ACAIF, we received notification with this most recent award that it would be our last from Nathan Cummings for ACA implementation. The foundation just completed a strategic planning process and they are moving away from health care consumer advocacy. Although we will “feel” the loss of dollars the fund, the biggest blow is actually to our state-based TA; we have received \$250,000 from Cummings for TA for several years, so this is a gap we will need to fill in 2015.

- **ACA Implementation Fund**

	<b>Contributions to the ACA Implementation Fund by National Organizations</b>						
	<b>(in thousands)</b>						
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>Total</b>	
The Nathan Cummings Foundation	\$500	\$500	\$500	\$150		\$1,650	
CVS Caremark			\$90			\$90	
Ford Foundation**	\$500	\$500	\$500			\$1,500	
HJW Foundation	\$500	\$500	\$500			\$1,500	
HJW Foundation (Medicaid Expansion)				\$2,150		\$2,150	
Langeloth Foundation	\$500	\$400	\$400	\$400		\$1,700	
The Atlantic Philanthropies (\$2M/4yrs)	\$500	\$500	\$500	\$500	\$500	\$2,500	
Rockefeller Foundation	\$200					\$200	
Wellspring Advisors		\$80	\$100	\$150		\$330	
The California Endowment**	\$300	\$300	\$300			\$900	
<b>Total</b>	<b>\$3,000</b>	<b>\$2,780</b>	<b>\$2,890</b>	<b>\$3,350</b>	<b>\$500</b>	<b>\$12,520</b>	

\*\* The Ford Foundation and The California Endowment are no longer contributing to the ACAIF.

**Community Catalyst** is a national non-profit advocacy organization building consumer and community leadership to transform the American health care system.

[www.communitycatalyst.org](http://www.communitycatalyst.org)



## Community Catalyst Memo

**DATE:** May 28, 2014  
**TO:** Board of Directors  
**FR:** Amy Rosenthal, Director of External Affairs and Policy  
**RE:** Quarterly External Affairs Report to Community Catalyst Board of Directors

---

Over this past quarter, our External Affairs work continues to be very busy as the organization engages at the federal level on a diverse set of issues with a range of national partners, Congressional Members and Administrative offices. **Whether it's** tracking the end of open enrollment, proposing new delivery system reforms, monitoring the duals demonstration grants or preparing for CHIP renewal, Community Catalyst remains a highly engaged and visible national player (more specific information about this work will be in the Program Report.)

In order for us to be effective in our External Affairs work, we have several internal meetings each week that allow us to coordinate our efforts and be as strategic as possible. We thought it would be helpful for the Board to understand how we successfully navigate our DC presence and manage relationships with national partner organizations and policymakers.

### **Federal Team Meeting**

Community Catalyst began extensively engaging in federal work in 2008, and it quickly became apparent that various program managers were making independent requests of the same Congressional offices at the same time. We recognized the need for greater internal coordination, and representatives from each of the programs involved in federal work started convening once a week to discuss DC meetings, requests and strategic decisions. The Federal Team Meeting has evolved greatly since then. During ACA passage, it was opened up to the entire staff who met 3 times a week in order to ensure that our entire staff (everyone) was current on the rapidly evolving developments and our advocacy strategies. We have currently scaled it back to once a week, but it continues to be open to the entire staff and is one of our most well-attended meetings (at any given meeting we have at least 30 attendees with staff also calling in from Missouri, DC, New York, Pittsburgh, and Atlanta.) The meeting includes a big picture policy and political update, a briefing on DC developments and upcoming events, a communications update, and an opportunity for each program to share a summary of their federal activities from the past week. We have found the meeting to be a critical venue for information sharing, timely discussions and a way to proactively manage our federal efforts.

### **Public Education Meeting**

During ACA passage, a subset of Federal Team Meeting attendees (including a number of Senior Managers, communications staff, policy staff and field staff) started meeting regularly and doing nightly conference calls to strategize on what and how to share DC developments

with our state partners and larger network. To this day, this team continues to meet once a week and remains the primary lead in writing action alerts and sharing advocacy opportunities with our state partners. The nature of this work requires the team to be nimble and work under a more rapid timeline than Community Catalyst typically operates. The core group of this team has worked together now for five years and is highly effective in making quick decisions about how and when to activate our network.

### **"Key Meetings and Conversations"**

In addition to coordinating our national activities related to the Administration and Congress, it is equally important that we coordinate our work with national partners. This information sharing originally happened during our monthly External Affairs Team meetings. However these meetings were not frequent enough to meet our needs. As a result, our Senior **Management Team has a standing agenda item called "Key Meetings and Conversations" where** we update each other on interactions with other national partners to ensure we are not crossing paths, duplicating efforts or contradicting each other. Over the past year as more of our programmatic and policy staff has taken on greater responsibilities, they too have started to interact with multiple staff and senior leaders at national partner organizations. Recently, we tacked on an additional meeting to the end of our Federal Team Meetings where Senior Managers and appropriate programmatic and policy staff meet to discuss key meetings and conversation. These meetings have already proved to be extremely helpful in our coordination and helped us as we launch our new Medicaid expansion campaign, support our state advocates, and manage existing program goals.



## Memorandum

**TO:** Board of Directors  
**FROM:** Susan Sherry, Deputy Director  
**DATE:** June 6, 2014  
**RE:** Program Report

---

### Strategic Goal 1

**Build a stronger advocacy infrastructure (resources, skills, relationships) to increase the power and influence of consumers in the health system nationwide.**

### Supporting the Advocacy Infrastructure

During this quarter Community Catalyst continued to direct financial support for state consumer health advocacy across a number of programs. The most significant development was receipt of approximately \$2 million dollars for the **ACA Implementation Fund (ACAIF)** to support state Medicaid expansion campaigns – the newly named **Close the Gap Campaign**. Funding also supports coordination and collaboration of the state campaigns with several other national partners—Georgetown Center for Children and Families (CCF) and the Center on Budget and Policy Priorities (CBPP) who were also funded. Planning and negotiating the Close the Gap Campaign took significant time and effort. The funder views this as a multi-year effort which will allow us to be strategic in targeting states over the next few years with the goal of securing Medicaid expansion in identified target states. The initial round of states have been notified that an invited RFP will be issued by the end of May. Several groups in each state have received the notice though there is a requirement that there be one integrated campaign plan and proposal from each state. There will be close communication with the funder and close engagement with state campaigns for this new project.

### The Case is Mounting

Community Catalyst set up 10 state-specific “Medicaid Counters” that continually update how much money the state is losing by not expanding Medicaid. The counters have seen active use including:

- There was strong press in Pennsylvania that highlighted the cost of not expanding Medicaid: **“Frankel Urges State To Adopt Medicaid Expansion”**
- In Utah, advocates shared their counter with supportive legislators. The Senate minority leader, Gene Davis, ended up using the Utah Medicaid counter in a committee hearing on Medicaid a few weeks ago by pulling up the ticker and letting it run to show much money the state lost in the time it took him to address the committee.
- In North Carolina, advocates shared their counter with their coalition partners far and wide with several partners having blogged about it. The League of Women Voters projected the running ticker on the wall throughout a meeting of the Greensboro City Council, where they were debating passing a resolution to support Medicaid expansion (they did end up passing the resolution at that meeting).



Staff developed goals for the new ACAIF work in Health System Transformation and have interviewed state advocates to determine the best candidates to take on this new initiative. The ACAIF will continue to support a number of leader states that can highlight ACA success. Invited RFPs for both of these areas will be issued in June.

There was extensive work this quarter to craft the next round of **Consumer Voices for Coverage 3 (CVC 3)** Year 4 funding. We are excited to have 7 additional grantee states added to the existing 11 grantees. Our work included providing the Robert Wood Johnson Foundation (RWJF) with a memo identifying priority issues, developing criteria and recommendations on additional sites and funding amounts, and preparing all of the RWJF proposal materials (RFP, proposal narrative, FAQs, and application). The RFP has been issued to the potential grantees.

**In addition to the ACAIF and CVC funds we're distributing, there are a number of** other ways Community Catalyst has ensured necessary funds get to key groups to support their work. New grants to states for partnerships with LGBT groups around ACA implementation were launched. A new grant that Community Catalyst just received this month will further expand this area of work to new sites. Subgrants for the Screening Brief Intervention Referral Treatment (SBIRT) state campaigns for the **Substance User Disorder project** were all awarded this quarter as well. Community Catalyst received new funding to enhance the outreach and enrollment capacity of community-based groups working with immigrants and communities of color in target communities. The assessment process for how best to distribute these funds is underway.

In addition to the work Community Catalyst has been doing to support organizations with funding opportunities, we have also been engaged in thoughtful strategic thinking in a few states. Staff began work on an in-depth assessment of Michigan Consumers for Health Care which will culminate in a report that will inform their strategic planning process that is taking place at an in-person meeting later in the summer. Kansas funders reached out to Community Catalyst to explore our potential involvement with the Kansas consumer health coalition which is undergoing a leadership transition and taking stock of its strategic organizational needs. Community Catalyst will work facilitate connecting state advocate leaders from several states with the Kansas Board of Directors to contribute to this process.

<p style="text-align: center;">Building Bridges</p> <p>New alliances between consumer health advocates and substance use disorder organizations are strengthening Close the Gap campaigns. Advocates in Maine won a legislative supporter after highlighting cost savings in behavioral health from accepting federal funds. In Florida, stories of people needing drug and alcohol treatment are drawing more attention to the coverage gap.</p>
---

## **ACA Implementation**

Community Catalyst and state advocates played a major role in the final *outreach and enrollment* push prior to the end of open enrollment as you can see from the extensive list of materials and activities below.



Our on-the-ground work in Missouri continues to inform our understanding of what it takes to successfully enroll consumers and tools developed for Missouri have been adapted for national use. We are putting the finishing touches on a report that tells the story of all the different elements that must be in place for successful enrollment and how state health advocates tackled this challenge with creativity and by tapping into trusted local organizations. Community Catalyst's tools on Special Enrollment Periods (SEPs) have been used across the country.

We have helped advocates pivot from the first open enrollment period with fact sheets, post-enrollment planning tools, debriefing sessions, and attention to health literacy. A major Colorado health funder has contracted with us to assist them in designing a new program initiative around health literacy. The learning from this collaboration will be of value to our work across the country.

***In the Loop*** (ITL) has kicked off a process of evaluation to improve the site for the next open enrollment period. As site activity has not dropped off as expected, they have also been able to continue gathering valuable information for the Administration. A document highlighting suggested changes to the enrollment process has been shared with the Administration. A user survey of 250 users and three focus groups with Administration officials are informing changes.

Conversations with national partners to explore ways to foster more robust participation in ITL are underway. A concept paper to utilize ITL with State-Based Marketplaces is completed and forming the basis of discussion with those states to best address the unique needs of State-Based Marketplaces.

As mentioned earlier, much staff effort went into planning and securing the new \$2.5 million grant for the Close the Gap campaign. Ongoing support for Medicaid expansion campaigns continued as can be seen from the accompanying list of materials and activities. Staff have internally restructured to better coordinate technical assistance and create more accountable support and strategic guidance to state campaigns. A parallel effort to more closely coordinate with national partners at CBPP and CCF was also put in place. Community Catalyst's message and communications support continues to be highly valued by state advocates for its timeliness and clarity.

#### The Voice of Consumers

Community Catalyst played a major role in securing a special enrollment period for **the thousands of people who were "in line"** but unable to complete enrollment by March 31st. ***In the Loop*** documented the glitches. Over 300 groups in less than 72 hours signed on to **Community Catalyst's** letter requesting the extension. ITL also played a significant role in addressing enrollment issues for survivors of domestic violence through a new special enrollment period and assuring that the Call Center was equipped to carry out this enrollment.



<b>Strategic Goal #1</b>
Build a strong advocacy infrastructure (resources, skills, relationships) to increase the power and influence of consumers in the health system nationwide
<b>Webinars</b>
<i><b>In the Loop.</b></i> Grantmakers in Health Webinar: Outreach and Enrollment lessons
<b>Learning Community Calls</b>
Missouri Certified Application Counselor (CAC) Call: Priority Setting For Post Open Enrollment
Missouri Hub Coordinator Call
Post Open Enrollment OEE call: April and Beyond- the Work Ahead
Assessing the First ACA Enrollment Period and Planning for the Next Enrollment Cycle
To RFP or not to RFP: Upcoming navigator funding applications
Special call for FFM states: Opportunity to share feedback, challenges and suggestions for improving the enrollment process for consumers and enrollment assisters
<b>Children’s Health Quarterly Call</b> - co-sponsored with Medicaid team
Medicaid waivers and efforts to engage consumers and consumer advocates in the waiver process
<b>Toolkits</b>
Missouri Post Enrollment Planning Tool
New Tools to Reduce Churn (NEACH)
New Resources for Continued and Special Enrollment - fact sheet, talking points
What Happens After April 1? - planning tool, tools to help tell the story of ACA's success
<b>Blogs, Papers and reports</b>
Blog: Show Me State Enrollers Show Us How Enrollment Gets Done
Blog: Alabama Students Take the Lead with Bama Covered
Blog: ACA's Success is Bigger than Enrollment
Blog: A Day in the Life: One Navigator's experience in Kansas
Blog: A Day in the Life: One Navigator's experience in Austin, TX
Blog: This Shout Out Goes to: Health Council of South Florida
Blog: A Day in the Life: One Navigator's experience in PA
Issue brief: How the Affordable Care Act Impacts Native American Communities
<b>Blog: Bipartisan (yes, that’s right) passage of Medicaid Expansion in New Hampshire</b>
Blog: Update: Medicaid Expansion Becomes a Reality in New Hampshire
<b>Blog: Mother’s Day feature with MomsRising (Carnival)</b>
10 state-specific Medicaid Counters: FL, AL, ME, MT, NC, PA, SC, TN, UT, WY (available at <a href="http://www.medicaidcounter.org">www.medicaidcounter.org</a> .)
<b>Fact Sheets</b>
Talking Points on Special Enrollment Period for Consumers who tried to enroll prior to March 31
Life Events and Special Enrollment Period Fact Sheet for Missouri
Special Enrollment Periods
<b>Comment letters</b>
Worked with APIAHF on comment letter to HSS requesting the release of demographic enrollment date. We collected 315 signatures of which 25 were from our state groups. The letter was submitted on April 16. On May 1, HHS released new enrollment numbers which include for the first time and data by race and ethnicity.
<b>Signed on to National Women’s Law Center’s letter emphasizing the need for certain married individuals to have access to the ACA tax credits when filing separate tax returns. This letter was</b>



sent to DOT, IRS, and HHS.
<a href="#">Drafted comments and template comments</a> on HHS regulations, which including comments supporting federal oversight of Navigators and pre-emption of restrictive state Navigator legislation
Wrote a comment letter to HHS on the Healthy PA proposal
Signed on to a waiver task force letter (coauthored by CBPP and CCF) on the Healthy PA proposal
<b>Major convenings</b>
ECTCA Grantee Convening in Missouri - CC planned, presented, facilitated, March 11th
Small Business Majority site visit in Missouri - CC facilitated, March 24th

**Strategic Goal 2**

**Assess and develop state and local partners’ capacity for organizing constituencies and campaigns for change.**

As noted above, outreach and enrollment has deepened and broadened state advocate’s relationships with community-based groups in communities of color, the LGBT community, and others. A new Native American partnership was developed during this past quarter. Through our planning tools, materials, coaching, and learning community Community Catalyst staff are focused on assisting advocates to strengthen and build upon these new relationships. Addressing health literacy and making sure that people are able to get access to quality responsive care will be the focus of these efforts moving forward.

As our **children’s work** expands into new states – Ohio, Arizona, and Virginia – there is a strong focus on engaging communities of color.

In Arizona the work will be about building advocacy capacity and infrastructure—there are few advocacy groups and little capacity on the ground to be 'activated'. While still in the exploratory phases the effort could involve Latino-focused work or building the voice of children with special health care needs. The Ohio work will align the many groups around a stronger focus on racial disparities. In Virginia, staff hope to build capacity and more deeply engage kids groups in ACA work – including telling parent stories. Deepening the collaboration between child advocates and grassroots organizing groups will be a key strategy to achieve this.

Dental Therapist Challenges

Steady progress toward establishing a mid-level dental therapist was made this year despite the strong and unyielding opposition of organized dentistry. Vermont legislation cleared the Senate. The New Mexico bill received a unanimous House Health and Human Service Committee vote, passed the Judiciary Committee and made it to the House floor before being pulled for strategic reasons.

The **Hospital Accountability Project (HAP)** recently completed piloting a training curriculum on community benefits for community-based group. The three sites ranged from an all-Spanish speaking grassroots group to local organizational and health leaders. A final curriculum is now being completed based on the pilot experience. Staffs are also collaborating with George Washington University to test a new tool that contains data from the new hospital 990 forms. Community Catalyst will develop accompanying community educational tools and pilot the database in three sites.



We expect that the training curriculum coupled with this new quantitative data will enable greater community engagement around hospital community benefits. Interest in community benefits from the housing, economic and community development sectors continues to grow and staff are working to keep up with the demand for information and insights from these sectors.

The **Roadmaps to Health** project held a very successful annual meeting this month bringing together diverse grantees working on a range of social and economic factors that affect health. Despite the range of issues – from early childhood education to reentry and from incarceration to school discipline policy – grantees found common ground around strategies for change. This community grant program is winding down and RWJF has invited Community Catalyst to bid on a new role as Network Lead within their County Health Rankings and Roadmaps program. Community Catalyst's experience building community among diverse groups will be an asset as we pursue this new opportunity. We will soon turn our attention to how best to maintain and integrate the Roadmaps grantees into Community Catalyst's orbit as the grant program winds down.

<b>Strategic Goal #2</b>
<b>Assess and develop state and local partners' capacity for organizing</b> constituencies and campaigns for change
<b>Webinars</b>
Hospital Consolidations and Mergers: Opportunities for Community Engagement: Webinar with MergerWatch and the CT Commission on the Status of Women; about 60 in attendance, representing 15 states in April
<b>Toolkits</b>
Materials on Native American Outreach and Enrollment

<b>Strategic Goal 3</b>
<b>Influence health system policies and practices to be sensitive and responsive to consumer interests and needs.</b>

As highlighted in the accompanying box, state campaigns to establish **dental therapists** have continued to gain momentum. The WK Kellogg Foundation (WKKF) has committed to another two years of funding for the project. Staff have worked closely with WKKF to coordinate the different project components, which in addition to the state campaigns include efforts to establish dental therapists on tribal lands in the lower 48 states and to support evaluation of new demonstration projects. A new law in Maine that establishes a mid-level practitioner with requirements around education and on-site dentist supervision undercuts key elements of what makes the dental therapist effective in addressing access barriers. The project is working on strategies to address this challenge.



The **Prescription Access and Quality Project** continued its conflict of interest (COI) work with New England and Pennsylvania medical schools and teaching hospitals with successful webinars and toolkits. Staff provided technical assistance to compliance staff in other states including California and Louisiana. A new grant will support independent analysis of the COI tool used in pilot sites.

As noted above, the **Substance Use Disorder Project** has supported Medicaid expansion campaigns and moved forward on implementing the new SBIRT program. Much of the focus this quarter was on setting up this new effort including hiring staff and initiating work on a message platform that advocates can use.

The **Voices for Better Health** Project continues to build its infrastructure and impact. The release of the first toolkit for consumer engagement has been well-received by health plans, advocates, and policymakers. New formal partnerships with geriatricians in all the target states have taken off with geriatricians appreciating the opportunity to bring their knowledge to "real time" policymaking tables and advocates valuing the deep expertise on best practices. We continue to play a role in connecting state advocates with federal officials. The increased visibility for our work is timely as we move forward on exploring the potential for earned revenue from contracts with health plans and providers. In an advocacy first, New York advocates were able to review and comment on the draft three-way contract (Medicaid/Medicare/health plan) for that state. We hope this will set precedent for future contracts.

In response to more states shifting their Medicaid programs to private managed care plans often in a single wholesale shift, advocates have increasingly requested information about the behavior and track record of large national proprietary companies in other states. Plans operate under different names in different states, and sometimes use different names within a state. Community Catalyst undertook a project to gather information about the companies including plan names, quality ratings, etc.

The challenge of presenting this information in a searchable and accessible format led us to approach the Kaiser Family Foundation due to their expertise in making data accessible. After some negotiation, KFF will be putting up the information on their site acknowledging Community Catalyst's significant contribution to conceptualizing the project and gathering the data. We expect that advocates, the media and policymakers will make extensive use of the data increasing attention to the importance of accountability for use of these public dollars.

The **New England Alliance for Children's Health** held a day long strategy session with state advocates, hospitals, insurers and national partners to develop a regional strategy for re-appropriating CHIP in 2015.

Feedback from Southern Advocates

The hiring of Amanda Ptashkin as the Atlanta-based **Southern Health Partners** Manager has already received positive feedback from a long-time leading southern health advocate who stated that Community Catalyst is the only national group that is committed to the South. Coupled with new Medicaid expansion resource, our southern work is poised to move to a next level of effort.



<b>Strategic Goal #3</b>
Influence health system policies and practices to be sensitive and responsive to consumer interests and needs
<b>Webinars</b>
Appalachia Funders Network Presentation on Dental Therapists
Prescription Project Webinar: “Balancing Appropriate Collaborations With Industry With Adequate Safeguards for Patients, Students And Research Participants” and “The Hidden Curriculum and COI Issues That Arise for Students During Clinical Rotations for 18 representatives from 13 medical centers in Pennsylvania and New England
Managed Long Term Services and Supports toolkit webinar for the Administration for Community Living webinar, March 2014
<b>Learning Community Calls</b>
VBH Learning Community Calls on the following topics: disability-competent care, grassroots engagement, health disparities
Strategies to address racial and ethnic disparities in substance use disorders treatment
Engaging the SUD community in your campaign to Close the Coverage Gap
<b>Toolkits</b>
Annotated bibliography of resources on SBIRT (will be continually updated)
<b>Implementation of Conflict Of Interest Policies: describes best practices for institutions’ to develop and implement stronger conflict of interest policies among faculty and staff</b>
<b>Blogs, papers and reports</b>
Blog: Michigan Becomes the Ninth State to Move Forward with Capitated Duals Demonstration
<a href="#">Massachusetts One Care Initiative for Non-elderly Dual Eligibles</a> provides a comprehensive description of the One Care program and the <a href="#">related info-graphic</a> provides information on enrollment in One Care by health plan, rating category, and geography
Pediatric Quality - CHIPRA
6 State Fact Sheets on CHIP programs in New England States: ME, NH, CT, VT, MA, RI
Blog: <a href="#">Prescription Project: Is It All In Your Head?</a> , Stephen Smith, MD, March 21, 2014 On getting doctors and patients to choose inexpensive generics over costly brand-name drugs in the same therapeutic class.
Blog: <a href="#">Ivory Tower or Gold Bazaar?</a> , Stephen Smith, MD, April 28, 2014 On the practice of academic leaders in medicine who also sit on the board of pharmaceutical companies and the problems or conflicts it may present.
<b>The Prescription Project submitted “Evaluation of a Model Comparative Drug Price Resource in Fostering Physician - Patient Engagement, Lowering Consumer Costs and Improving Adherence” to the journal Innovations in Pharmacy</b>
<b>Fact sheets</b>
VBH: <a href="#">Michigan Memorandum of Understanding: What Advocates Need to Know</a> (April 2014)
Dental: Economic impact of dental therapists in Washington
Dental: Education fact sheets on the training of dental therapists in Vermont
<b>Comment letters</b>
Sign on letter to MACPAC regarding 2 year extension for CHIP
<b>Speaking engagements</b>
NEACH: ACA and the Pediatric Vision Benefit, Orthoptic conference at Boston Children’s Hospital: May 15, 2014:



NEACH: Community Benefit and Childhood Obesity, sponsored by Policy Link, RWJF Session on March 12, 2014
Dental Therapists in the United States: Roundtable at National Oral Health Conference
<b>Prescription Project: "Agents of Change: Empowering Students to be Leaders in Conflict of Interest Policy Reform" at AMSA's Annual Convention and Exposition in New Orleans, LA on March 6th-9th, 2014</b>
Managed Long Term Services and Supports tool-kit: American Society on Aging, March 2014
Meaningful Consumer Engagement: American Society on Aging, March 2014
Meaningful consumer engagement: Association of Community-Affiliated Plans, March 2014
Consumer advocate/geriatrics provider partnerships in the dual eligible demonstrations, American Geriatrics Society, Annual Meeting, May 2014
Consumer Perspective on Dual Eligible Demonstrations, National PACE Association, April 2014

**Strategic Goal 4**

**Define Community Catalyst as a next generation advocacy leader by identifying emerging issues that are ripe for action and investing in effective and innovative strategies to address them.**

Our project to develop a "roadmap" to health system transformation for consumer advocates has moved forward with an advocate survey, focus groups, stakeholder interviews and literature reviews complete. The team has moved onto drafting and refining recommendations. There is interest from the RWJF in the role of state advocates in delivery system reform and we have been asked to provide a concept paper about what a program could be. We will integrate using the "roadmap" during the startup phase of our proposed program.

In anticipation that health system transformation work will become increasingly important in the coming years, we have undertaken efforts to boost staff understanding and knowledge about these issues. Internal training has been one means.

There will be a shared policy position between VBH and SCHAP to assure that VBH learning is integrated into the general state advocacy work.

This position will also support the SCHAP team around the new ACAIF grants for health system transformation. We continue to foster an ongoing dialogue among state advocates about this topic through our learning

Go-to Resource

The Voices for Better Health project is making a unique contribution to promoting consumer-responsive delivery systems in the duals demonstrations. The Center for Medicaid and Medicare Services (CMS) recognized that when CMS and their training contractor The Lewin Group asked Community Catalyst to develop two webinar series. The first will be on consumer engagement which will build on our recently released consumer engagement toolkit for health plans. The second in collaboration with The American Geriatrics Society will be on geriatric-competent care. Participation in the webinars is very broad including health plans, providers, policymakers, and advocates. This visibility is well-timed as we develop a business plan for earned revenue from health systems and providers.



communities, in coaching calls, and at convenings. There is an active internal discussion about how to build cost and quality issues into our private insurance market work. We expect that more state-based exchanges and insurance commissioners will be able to turn to more proactive market interventions now that the first enrollment period is over.

The assessment report on the strategic and organizational implications of our c4, the Community Catalyst Action Fund, (CCAF) with our organizational mission was just completed and is now being reviewed.



## Memorandum

**TO: Board of Directors**  
**FROM: Kathy Melley, Communications Director**  
**DATE: June 6, 2014**  
**RE: Quarterly Report – Q2 2014**

---

### I. Q2: Key Communications Accomplishments

#### Related Strategic Plan Goals:

- #1: *Build a stronger advocacy infrastructure to increase the power and influence of consumers in the health system nationwide*
- #6: *Invest in Organizational Capacity*

#### 1.) **The On Message Daily Media Summary (#1, #6)**

The revamped daily news summary is getting us in front of more than 2,000 health care opinion leaders and providing a platform for message guidance and shared resources from Community Catalyst and other national partners. We have received positive feedback on the news summary from readers.

#### 2.) **The ACA Prevention Benefits Radio Tour (#1 and #6)**

A national and state radio tour resulted in positive stories about ACA prevention services benefits that aired on more than 1,000 state and national radio outlets. Our state advocates were excited to participate in the tour because it gave them an opportunity to proactively push a positive narrative of the ACA in the wake of enrollment. The tour also was a successful integration of the work of our On Message project with Community Catalyst's state advocate work.

### II. Quarter 2 highlights

#### Media (see press coverage document)

Christine Barber was quoted in a *POLITICO* story on how ACA enrollees are going about understanding their coverage, and in a *POLITICO PULSE* brief on new federal rules on navigators.

*Marketplace* asked Rob Restuccia what questions he would pose to HHS Secretary nominee Sylvia Burwell Matthews and his questions appeared in the online article accompanying a radio piece. Rob was also interviewed by two national radio outlets, *Talk Radio News Services* and *American Urban Radio Network* as part of the On Message Virtual Radio Tour to highlight the prevention benefits of the ACA (see *On Message* section and coverage document).

Rob and John O'Brien's blog on the opportunities for hospitals to engage in community benefit initiatives appeared in *Health Affairs* on May 8.

## Products

### ACAIF Report

We began work with the design firm Mad\*Pow to help us develop a report that integrates both text and infographics to show the fund's success thus far. We anticipate a final report in July.

### Project and Issue Team Support

#### *On Message (formerly The Herndon Alliance)*

We formally launched *On Message* as a project of the Communications Department. Quarter 2 activities included:

- **On Message Daily Clips:**

We revamped the daily clips Herndon used to send by changing the content and format and by using our email blast system, which allows us to track and measure progress. We are putting more emphasis on messaging, as well as highlighting key state coverage and specific topics such as Medicaid expansion. The clips go out to more than 2,000 health care opinion leaders. Open rates are averaging above 20 percent, which is strong.

- **Leading Washington, DC Convenings:**

We hosted our third DC convening in April, which was well attended by national groups including Georgetown Center for Children and Families, Moveon.org, Young Invincibles, United Way, Enroll America, Consumers Union, National Women's Law Center, and the Center for American Progress among others. We discussed national groups' work on ACA offense and defense as well as Medicaid expansion. Moveon.org presented the results of their polling showing support for Medicaid expansion in election battleground states. We are continuing conversations with other national and state groups to firm up our ideas for our first poll, which we hope will go into the field this summer.

- **Building a positive ACA narrative:**

We hosted a March **webinar** on how to communicate the prevention benefits of the ACA. We organized a virtual **radio media tour** featuring advocates from Florida, Georgia, Missouri, North Carolina, Ohio and Pennsylvania. Each advocate participated in two to three interviews aired on radio outlets in their state. All told, the interviews reached **1,068 radio stations** with a combined AQH audience of **2,247,600 people** (based on the latest data from Nielsen Audio).

We developed and disseminated **message sets** on prevention and on how "the ACA is working" based on enrollment number, research pointing to number of people benefitting from specific provisions and economic data. We also drafted **op-eds** to be authored by navigators telling their first-hand stories of enrollment and its impact on individuals and families.

- **ACA Defense:**

To respond to the needs to advocates, we provided timely rapid response talking points on key implementation events and issues:

- Enrollment numbers release each month
- Plan cancellations
- Delay of the employer mandate

- **Polling:**

We have begun talking to pollsters about potential ACA-related polling topics such as the financial impact of coverage to consumers now covered by the ACA.

## *HAP*

The team is developing its Community Benefits/Community Health Needs Assessment training curriculum, and we are helping them develop a strategy for hosting some of the content on our website and for disseminating it to key audiences.

## *Substance Use Disorders*

We are working with the SUD team on national and state press materials to announce the new SBIRT grant funding.

## *Voices for Better Health*

We are working to produce the project's third video, which will feature the benefits Independent Living Long-term Services and Supports Coordinators provide to dually eligible adults.

## *Medicaid*

We provided communications technical assistance to Medicaid expansion campaigns in multiple states: Utah, Maine, Montana, New Hampshire, Alabama, Arkansas, Idaho, Virginia and Florida. We also worked with the Medicaid team to develop new resources for closing the coverage gap, including updated messaging, data sources and responses to common attacks on Medicaid Expansion.

## *Outreach, Education and Enrollment (OEE)*

We worked with the OEE team this quarter on a variety of tools and resources for state partners as well as develop the framework and content for a published report on OEE strategies and successes. We created a "Post-enrollment Toolkit" with materials for advocates to evaluate the enrollment experience, plan for improvements, and a storybanking guide to tell the story of success. We also released a set of materials for advocates dealing with continued and special enrollment, including two consumer-friendly one pagers and an infographic. Finally, we are working with the OEE team to develop a report on the creative and successful strategies employed by consumer health advocates and their partners during the first open enrollment period. The report will be published and available for distribution by mid-June.

## *In the Loop*

We worked with the In the Loop team to provide technical assistance to Loopers looking for consumer-facing materials explaining special enrollment periods and life changes (aka qualifying events). We worked with Insure Central Texas (also a RWJF CAC grantee) to edit and finalize a one pager advertising their continued enrollment services.

## *Private Insurance*

We are working with the private insurance team to develop communications materials to respond to the 2015 premium rates.

## **Website**

\*Note: Google Analytics has made a shift in its terminology, and the language in this report has changed slight to reflect Google's new terms. Our analytics now frequently refer to unique visitors as users and visits as sessions.

## **Visitors this quarter:**

13,781 users this quarter. This is up from last quarter and includes peaks in visitors at the end of open enrollment and around the release of our most popular blog of the quarter, an entry about the mid-level dental provider law passed in Maine. On average, the website is visited by about 5,000 users per month (this has remained consistent since shortly after the site re-launch).

## Demographics:

Our site has visitors from every state in the country. Most sessions\* are from Massachusetts (6,768/18,825 visits). The other states we receive a significant number of visits from are:

- California: 1,217 sessions
- New York: 1,106 sessions
- Washington DC: 863 sessions
- Illinois: 562 sessions
- Ohio: 551 sessions
- Virginia: 533 sessions
- Pennsylvania: 460 sessions
- Texas: 435 sessions
- Florida: 429 sessions

\*Note: Demographic stats count sessions versus users (i.e. Massachusetts has a disproportionately high number of sessions because our staff is primarily located here and we are all heavy users of the site. However, those sessions only count toward 1 user, helping to balance the influence of staff users on other metrics in the analytics).

## Content:

Page	Unique Pageviews	Bounce Rate	Percent Exit
1. Homepage	5,771	28%	28.7%
2. Employment Opportunities	2,065	33.4%	20.6%
3. Staff page	1,626	22.4%	13.2%
4. About Community Catalyst	1,116	30.4%	25.7%
5. SCHAP Program Associate job posting	920	69.5%	49.4%
6. Communications Associate job posting	885	47.7%	25.6%
7. Community Catalyst Mission and Values	835	47.7%	25.6%
8. Children's Health Program Associate job posting	754	75.4%	57.5%
9. Contact Us	718	57.36%	57.7%
10. Internships posting	646	71.4%	64.8%
11. Maine's Mid-Level Provider Law blog	618	85.9%	82.8%
12. Meaningful Consumer Engagement toolkit	532	44.3%	26.8%
13. Blog landing page	528	74.5%	53%
14. SCHAP policy analyst job posting	512	82.5%	42.4%
15. Board of directors landing page	479	52.2%	17.1%
16. Children's Health SAM job posting	417	67.7%	42.4%
17. Southern Health Partners project manager job posting	400	74.3%	57.5%
18. Health Policy Analyst job posting	392	68.5%	36.1%
19. Our Approach	390	57%	25.4%
20. Voices for Better Health SAM job posting	385	78.5%	53%

Bounce rate: The number of single page visits (i.e. the % of people who left the site from the page they entered on). An average bounce rate is between 40% – 70%.

Exit rate: The number of visits that ended on this page.

## Social Media

### Twitter

From March 6 to May 18:

- Grew a total of 179 followers
- 140 clicks on links we posted
- We were retweeted 208 times

### **Facebook**

From March 6 to May 18:

- 67 new likes
- We had several key peaks for the reach of our posts:
  - On March 12 we posted a Get Covered bracket that was shared 19 times and seen by 1,345 people.
  - Posts on breaking news and enrollment numbers updates have been performing well. Our post on April 17 announcing that 8 million people signed up garnered 20 likes and was seen by 937 people. The share graphic we posted tallying the total enrollment numbers was shared 23 times and was seen by more than 1,000 people.

Notable events during this period

- Facebook has been making adjustments to its algorithm, greatly limiting how many of the people who like your page will see your post.

## COMMUNITY CATALYST PRESS HITS

### March 2014 – May 2014

April 8, 2014: *POLITICO*, “Obamacare’s Next Big Obstacle: Confusion as people use it”  
<http://www.politico.com/story/2014/04/obamacare-next-obstacle-105456.html>

April 14: *Talk Radio News Services* (National News/Talk outlet with 150 affiliates and 75,000 AQH listeners). Radio tour highlighting prevention benefits of the ACA (no clip)

April 14: *American Urban Radio Network* (National Urban News/Talk outlet with 525 affiliates and 1.5 Million AQH listeners). Radio tour highlighting prevention benefits of the ACA (no clip)

May 8, 2014: *Marketplace*, “What would you ask about Obamacare?”  
<http://www.marketplace.org/topics/health-care/what-would-you-ask-about-obamacare>

May 8, 2014: *Health Affairs Blog*, “An Extraordinary Opportunity: Hospital Community Benefits”  
<http://healthaffairs.org/blog/2014/05/08/an-extraordinary-opportunity-hospital-community-benefits/>

May19, 2014: *POLITIC*, POLITICO Pulse  
See attachment

# Alabama abortion law goes to trial - Murphy continues advocacy for severely mentally ill - Obama 'madder than hell'

By [PAIGE WINFIELD CUNNINGHAM](#) | 05/19/14 10:00 AM EDT

*With help from Natalie Villacorta*

**MURPHY'S MISSION** — It's been about six months since Rep. Tim Murphy announced his sweeping mental health bill, and last week his office released an accompanying report on the severely mentally ill. The gist is that this small population of Americans — those who struggle with schizophrenia, bipolar disorder and acute depression — have long been underserved even though they're the ones most likely to end up homeless, in prison, violent or suicidal. The report points out that about 40 percent of those with severe mental illness don't get treatment. The result: The Adam Lanzas and Jared Lee Loughners of the world don't get the help that might avert mass shootings. The report: <http://1.usa.gov/1qGvISR>; and the Pro story: <http://politico.pro/1IRxKu4>

**OBAMA 'MADDER THAN HELL'** — Echoing comments from VA Secretary Eric Shinseki last week, White House chief of staff Denis McDonough told "Face the Nation" on Sunday that President Obama is "madder than hell" about the reports that veterans have died while awaiting care. <http://politi.co/1gF3948>

--**Republicans used their weekly address to decry the VA scandal** and criticize the Obama administration for its response. Naturally the address was delivered by Sen. John McCain, who said VA administrators should have greater ability to hire and fire and veterans should have more flexibility to choose where they get care. "Clearly, the VA is suffering from a systemic, cultural problem that Congress cannot resolve with piecemeal responses," he said. The address: <http://bit.ly/1nUco2k>

**Good Monday morning and welcome to PULSE.** After the colorful descriptions of how Shinseki and Obama feel about the VA scandal, I'm wondering: What are all our readers madder than hell about? Please, no emails about it being Monday — you can be more creative than that. As a reminder, send your friends here <http://politi.co/1oFUGQ6> to sign up for PULSE. And email me tips at [pcunningham@politico.com](mailto:pcunningham@politico.com). Your favorite morning tipsheet starts now.

“And oh, I wish they would let PULSE be — oh, I wish they would let PULSE be.”

**AL ABORTION LAW GOES TO COURT** — Today a federal district judge in Alabama kicks off a multi-day trial on a state law requiring abortion providers to have admitting privileges at nearby hospitals. It’s being challenged by Planned Parenthood and the ACLU, who say it constitutes unfair restrictions that could cause three of the state’s five abortion clinics to close. In a call on Friday to discuss that case — and a similar Wisconsin law also set to be heard in court later this month — the groups outlined their objections, along with Jeanne Conry, immediate past president of the American College of Obstetricians and Gynecologists.

--Conry told reporters that the laws are unfair to abortion providers because they single them out from other specialists. “I think the important point to realize is that as providers we are becoming more specialized in what we do — often there will be doctors who don’t have admitting privileges in their practices,” she said. “Identifying one category of doctors goes against the way our practices are changing in this decade.” AP story on today’s hearing: <http://bit.ly/1n7Ci3e>

**NEW POLITICO POLL, OUT TODAY** — Nearly nine in 10 respondents said that the health care law would be important to determining their vote, including 49 percent who said it would be very important. Read what this means for the midterms and more in the new POLITICO Poll: <http://politi.co/1jKGJsD>

**\*\*A message from AbbVie:** AbbVie teams with peers, academics, clinical experts and others to take on the toughest health challenges and help patients everywhere live better. Learn more at <http://bit.ly/1ke4uv3> \*\*

**RULE DUMP, ON STEROIDS** — HHS sure must have felt light and carefree Friday after it released a 400-plus-page final rule on the 2015 insurance exchanges. The rule includes provisions on the SHOP exchanges, navigators and premium stabilization, as well as the initial framework for the 2016 quality rating scores. Health care experts said the rule seems aimed at trying to reassure insurers as much as possible and encourage them to trim their premium increases for next year. The rule: <http://go.cms.gov/1gbkPnl>; the Pro story: <http://politico.pro/1gFb1m6>

**--The rule included some clarifications on navigator requirements** and a list of state requirements that would hamper them from doing their jobs. It’s a good first step in protecting navigators from some state limitations that are in effect right now, Christine Barber, a senior policy analyst at Community Catalyst (a group that works with many navigator organizations) told PULSE.

For example, the rule says state laws that ban navigators from discussing specifics of plans (like those in Missouri and Georgia) are prohibitive to them. Barber said she doesn't know what will happen to those laws, but having the rule is a positive step.

**HAPPENING THIS WEEK** — The House is returning after a week off — but we're not upset because Memorial Day weekend is just days away. If you need a break from your weekend planning, there's plenty to tune in to.

--The **House Ways and Means Committee** will host **CMS' Center for Medicare Deputy Administrator Sean Cavanaugh** at a Tuesday 9:30 a.m. hearing on hospital issues in Medicare.

--The **House Oversight Committee's** government operations subcommittee will look into the federal response to autism disorders at 9 a.m. Tuesday. Its health care subcommittee will examine Medicare mismanagement at 9:30, with **CMS' Center for Program Integrity Director Shantanu Agrawal**, **GAO health care director Kathleen King** and **HHS assistant inspector general for audit services Brian Ritchie** as witnesses. Streamed here: <http://1.usa.gov/1hWkYpY>

--**House Energy and Commerce** has some stuff up its sleeve too. On Tuesday at 10 a.m. it'll look at drug innovation as part of its new 21<sup>st</sup> Century Cures Initiative (<http://1.usa.gov/1t7LL9S>). A health subcommittee hearing on Medicare payment reform is at 10:15 Wednesday (<http://1.usa.gov/1ISltFz>).

**BURWELL VOTE?** We're also keeping an eye out for a possible Senate vote on Sylvia Mathews Burwell's nomination for HHS secretary. If the Senate Finance Committee reports her nomination out of committee, Democrats are hoping to schedule the floor vote before the weekend.

**DENTISTS TO CONGRESS: OPEN WIDE** — This morning the American Dental Association is trying to persuade Congress to pass a \$20 million bill increasing access to dental care with a report highlighting the work dentists have done around the country over the last year. The ACA didn't do much to increase access to dental care, the report points out. If lawmakers pass Action for Dental Health, sponsored by Democratic Rep. Robin Kelly of Illinois, it'll provide millions to state and local organizations providing dental care to the underserved, ADA says. The report:

<http://politico.pro/1jKxEiq>

**Conservative billionaire Richard Mellon Scaife**, who is the publisher of the Pittsburgh Tribune-Review and owner of Trib Total Media, has announced he has an untreatable form of cancer, the AP

reports. He serves as vice-chairman of the board of the Heritage Foundation. <http://politi.co/QXSuFd>

**THIRD CASE OF MERS** — A third person has been diagnosed with the MERS virus, the CDC announced over the weekend. The latest case was discovered in an Illinois man who had close contact with the MERS patient from Indiana. He's reported to be feeling well and didn't seek or require medical care, although officials are monitoring his health daily. Tests suggest that he probably got the virus from the Indiana patient, possibly when the two met on two occasions shortly before the Indiana patient was found to have MERS. FAQs: <http://1.usa.gov/1recQYb>

### **WHAT WE'RE READING**

More than 1 million Americans could be receiving incorrect federal subsidies for their health exchange plans, the Washington Post writes. <http://wapo.st/TeFPQ1>

Lawsuits claiming Pfizer's Lipitor causes diabetes could draw new attention to risks associate with statin drugs, Modern Healthcare reports. <http://bit.ly/1IBCbaO>

The Morning Consult takes a look at health care lobbying and how it continues to decline since the ACA was passed. <http://bit.ly/1t7SIb8>

Health care experts close to the White House are urging Obama to appoint a CEO to oversee the next enrollment season, Reuters reports. <http://reut.rs/1nc6iXq>

A new analysis by Kantar Media finds that spending on negative ACA ads have outpaced positive ads by more than 15 to 1, the AP reports. <http://huff.to/1n5Yne8>

The Wall Street Journal writes that more state lawmakers are considering widening access to experimental drugs for people with terminal illness. <http://on.wsj.com/QYgpUZ>

The New York Times editorial board writes that two types of ACA lawsuits — the ones having to do with the law's origination and its subsidies through federal-run exchanges — are just long-shot attempts to overturn the law since Congress didn't do so. <http://nyti.ms/1t8hN5J>

**\*\*A message from AbbVie:** AbbVie teams with peers, academics, clinical experts and others to take on the toughest health challenges and help patients everywhere live better. Learn more at <http://bit.ly/1ke4uv3> \*\*