



## **Board Resolution**

### **Authorizing Additional Activities of the Minnesota HomeCare Association and LeadingAge Minnesota Related to a Cumulative Alliance Agreement**

**Whereas** representatives of the Minnesota HomeCare Association (MHCA) and LeadingAge Minnesota (LeadingAge MN) have met to establish a framework for deeper collaboration and integration between the organizations and entered those meetings from a position of strength and a guiding aspiration to benefit their collective membership through deeper collaboration.

**Whereas** representatives of MHCA and LeadingAge MN have agreed to a framework, commonly referred to as the Cumulative Alliance Agreement and attached hereto as an Exhibit, that outlines key parameters and working agreements between the organizations that is expected to lead to a successful and phased integration of the organizations.

**Whereas** the Cumulative Alliance Agreement outlines desired outcomes of the integrated organizations; potential areas for collaboration; a proposed legal structure, governance structure, and reporting relationships; a transition timeline and integration workplan; and key assumptions underlying the Cumulative Alliance Agreement.

**And Whereas** the Cumulative Alliance Agreement specifies next steps necessary to continue the process of executing an integration between MHCA and LeadingAge MN.

**Now Therefore Be It Resolved** the governing bodies of the Minnesota HomeCare Association and LeadingAge Minnesota hereby authorize the appointment of a Transition Advisory Group composed of two representatives from each of the organization's Executive Committees to oversee the continued steps necessary to execute an integration substantially consistent with the terms of the Cumulative Alliance Agreement, which may be modified by the Transition Advisory Group from time to time.

**Board Resolution Authorizing Additional Activities of the Minnesota HomeCare Association and LeadingAge Minnesota Related to a Cumulative Alliance Agreement**  
June 2018

***Be It Further Resolved*** the executive staff of MHCA and LeadingAge MN are hereby authorized to take the necessary steps, including the disbursement of organization funds for additional required resources, to assist the Transition Advisory Group and execute such an integration.

**Approved:**

**LeadingAge Minnesota Board of Directors**  
on the \_\_\_\_ day of \_\_\_\_\_, 2018

**Minnesota HomeCare Association Board of Directors**  
on the \_\_\_\_ day of \_\_\_\_\_, 2018

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

Date: \_\_\_\_\_

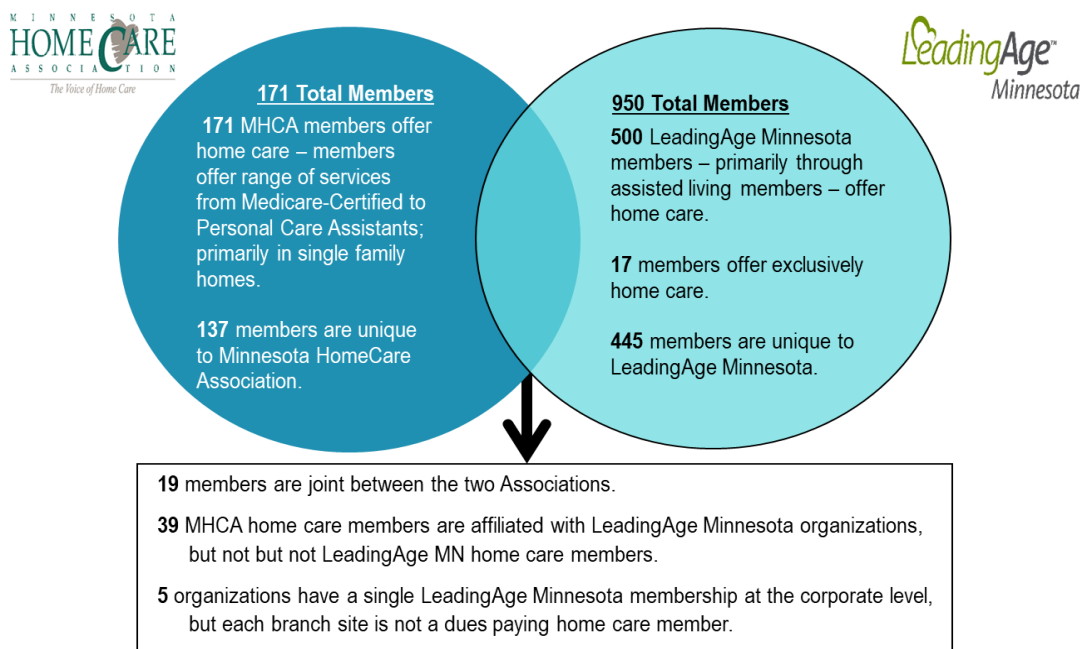
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**Minnesota HomeCare Association/LeadingAge Minnesota  
Cumulative Alliance Agreement as of June, 2018**

This document outlines key parameters and working agreements between Minnesota HomeCare Association (MHCA) and LeadingAge Minnesota (LeadingAge MN) with respect to a deeper collaboration and integration between the organizations.

- **Background:** As shown in the diagram below:
  - LeadingAge Minnesota is an association of approximately 950 care center, housing, adult day and home and community-based service members across Minnesota.
  - Minnesota HomeCare Association is an association of approximately 171 Medicare certified, comprehensive licensed, basic home care, hospice, palliative care and PCA members across Minnesota.
  - The two organizations have approximately 19 overlapping members across their organizations.
  - Both organizations entered this conversation from a position of strength and a guiding aspiration to benefit their collective membership through deeper collaboration.

**Association Membership Assessment**



Sources: LeadingAge Minnesota and Minnesota HomeCare Association membership profiles, Oct. 5, 2017

**Guiding Aspiration:** Both MHCA and LeadingAge MN support a strategic affiliation between the organizations to enhance member value, experience and influence through a premier, post-acute, continuum-focused membership alliance.

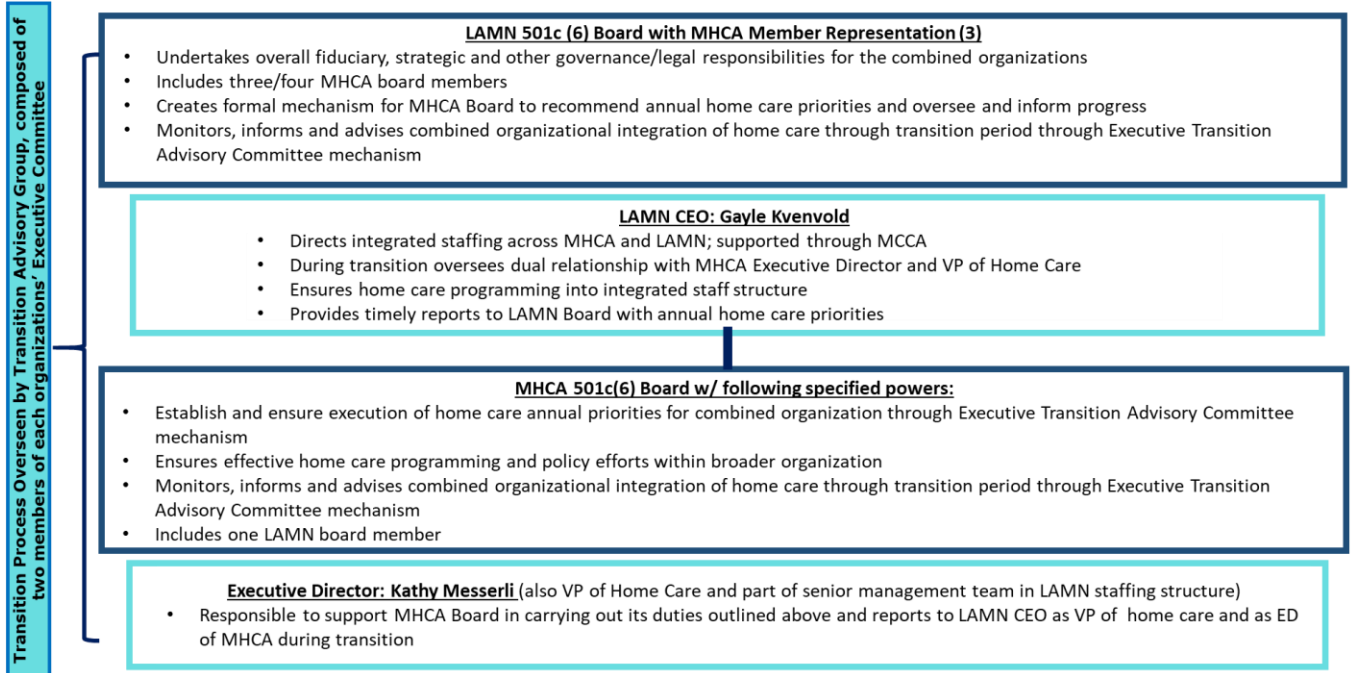
The aspirational vision beyond this strategic affiliation is the potential inclusion of other continuum providers, such as hospice, and other providers working in the post-acute arena. The MHCA and LeadingAge MN strategic affiliation will ideally serve as a model for such future expansion.

- **Desired Outcomes of a More Collaborative Relationship:**
  - Enhanced value for and satisfaction of members from both Associations
  - Shared agenda and goals for collaboration
  - Aligned values and culture where needed
  - Ability to leverage new partners (e.g. post-acute care)
  - Viable business model for joint endeavors
  - Increased influence and success in policy development due to combined voice
  - Broader and deeper scope of member offerings (e.g. technical assistance, education and training)
  - Efficient and effective deployment of combined resources across all programs and functions (staff resources, costs, some administrative functions)
  - Effective, engaged and collaborative staff and board of both organizations
- **Potential Areas for Collaboration:** MHCA and LeadingAge MN seek a collaboration that would allow them to partner on a broad scope of issues

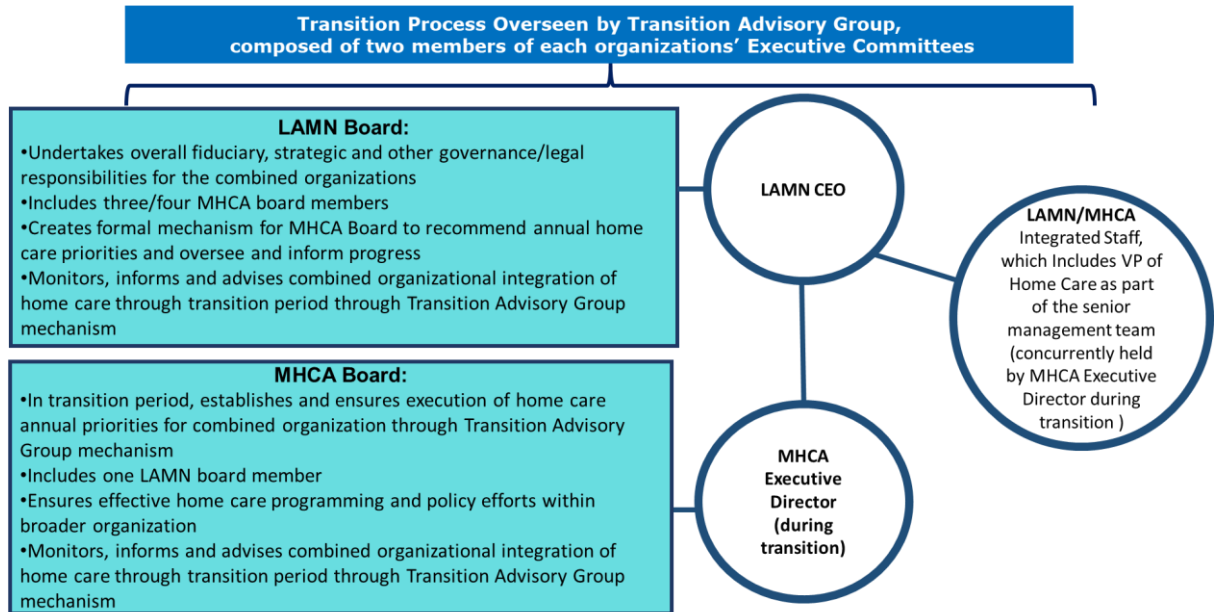


- **Proposed Legal Structure:** MHCA and LeadingAge seek a collaborative structure that achieves all the benefits of a merger while offering a distinct, welcoming yet integrated home to a diversity of organizations across the post-acute continuum, e.g. hospice, post-acute and acute care systems. To ensure membership stability and program integrity through the affiliation process, the organizations outlined the following parent-subsidary governance structure and reporting relationships. The transition to fully reach this structure will be approximately 1-2 years (current-2020), with decision milestones along the way that might increase or decrease this timeline:

# Proposed Governance Structure Resulting from Transition



## Proposed Reporting Relationships

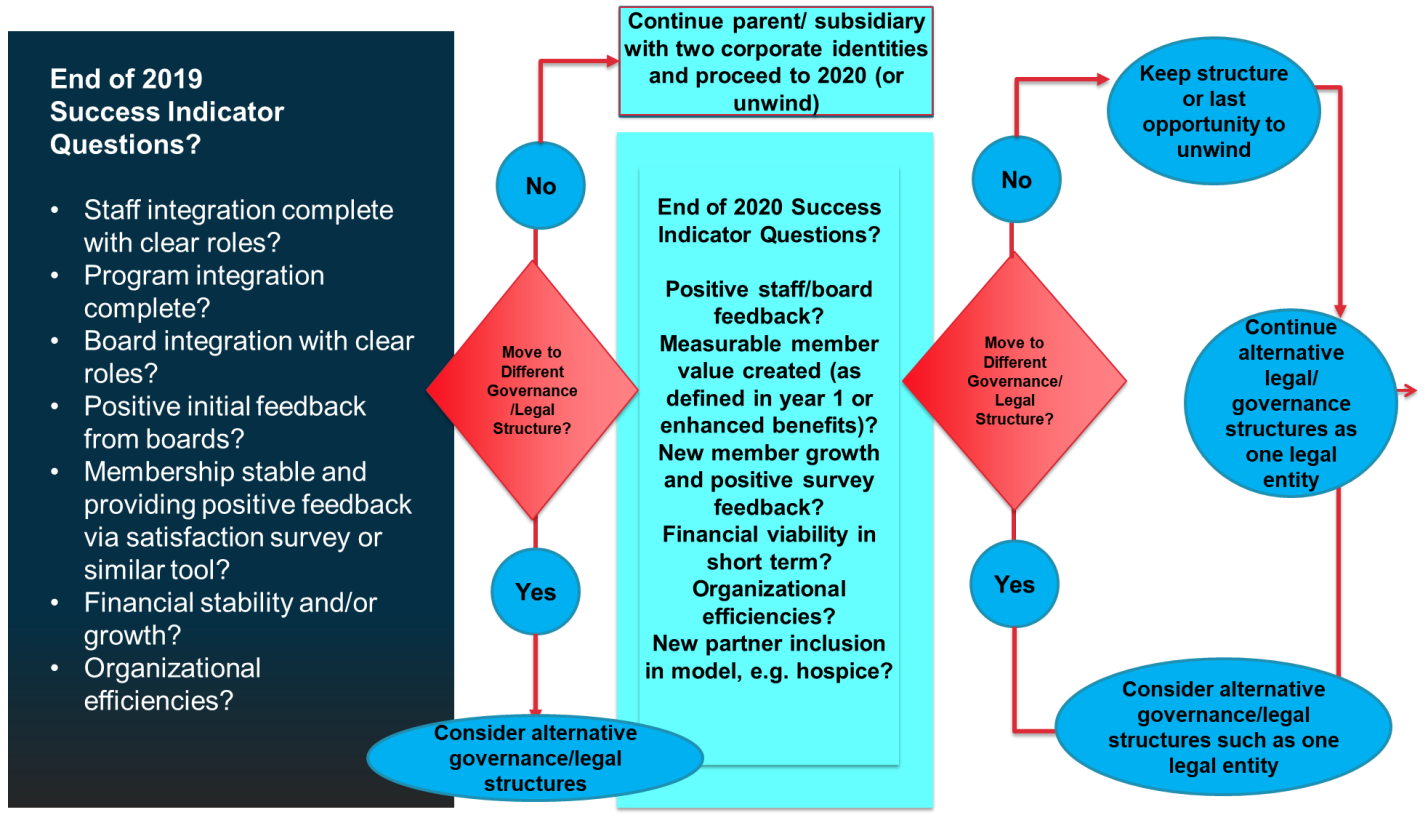


- **Transition Qualifiers:** Throughout the transition period, The Transition Advisory Group and parent-subsidary boards will refer to the following qualifiers to guide intent of process and outcome.

**Qualifiers:**

- Maintain distinct organizational names/brands with decision milestones that could adjust this upon mutual agreement
- Membership is in “strategic alliance” with a defined dues structure
- Foster distinct home care expertise, TA, regulatory/legislative support and programming
- MHCA representation within LAMN Governance Structure, and vice versa
- Agreement is based on parent/sub model as a short term approach to test integration and possibly lead to a single organization
- Agreement structure allows opportunity to unwind in approximately a 2 year timeframe
- Coordination with MCCA administrative structure

- **Integration Decision Tree:** Throughout the process of integration, The Transition Advisory Group will gauge progress and determine next steps in light of established success indicators. A decision tree to guide the Advisory Group is diagrammed below:



- **Transition Timeline and Integration Workplan:** MHCA and LeadingAge have outlined an integration workplan and timeline (see below), which will be overseen by a **Transition Advisory Group** composed of two representatives from each of the organization’s Executive Committees

# MHCA/LeadingAge MN 2018-19 Transition Workplan and Timeline

<b>Executive Transition Advisory Group/ Shared Board Work</b>	Jun '18	Help establish integration priorities and timelines	Check against success measures and recommend next steps	Jan '19	Assist in designed future structure as needed	May '19	Check against success measures and recommend next steps	Dec '19	Check collaboration progress against success measures and recommend next steps (Dec 2020)
	Sep '18	Communicate to members/key external stakeholders that we are entering new strategic relationship	Monitor and guide progress; outline next steps; address special issues as needed (including branding issues)	Nov '18	Continue to monitor and explore need for distinct and/or collective branding	Jan '19	Co-create vision for continuum-focused alliance, including joint Board work to outline branding, mission, vision, and strategies	Dec '19	Check against success measures and recommend next steps
<b>Priority Area Integration</b>	Membership and Governance: categories, dues, overlapping memberships, national memberships; review governance of both organizations and align/blend		Financial viability: based on administrative, membership, and governance integration project financial viability of combined org. - include Assn Treasurers		Jan 2019: Legal and Governance Integration		Possible Dues/Member Integration 1st Quarter 2020		
	Administration: finance, accounting, MCCA integration, budgeting methods (including MHA in process)		Use staff integration teams, integrate functional areas including: advocacy/regulatory/legislative/PAC, communication, technical assistance; data aggregation; and innovation-phase/sequence based on guidance from Exec. Advisory Group		Staff integration January 2019		Full functional integration 1st Quarter 2020		
<b>Functional Area Integration</b>		As integration occurs, outline functional teams and committee structures to support integrated organizations							
<b>Teams and Committee Structures</b>		As integration occurs, outline functional teams and committee structures to support integrated organizations							

A few **key assumptions** guiding the workplan development include the following:

- We will seek to avoid reduction in force during the transition period, but staff may be redeployed to achieve integrated programming and staff support.
- There will be a concurrent focus on the whole continuum of services our combined memberships will represent and the unique needs of service line communities within our combined memberships.
- The integration process will be implemented through “integration teams” for each functional area of the organizations.
- There will be no change for members regarding dues or access to staff and services through 2019.
- The first focus areas for integration will be membership, governance, legislative advocacy, and administrative functions (finance, accounting, etc).
- Membership categories, dues, voting rights and dual membership in national associations of each organization will be developed as part of the initial phase of the transition (see workplan/timeline below).
- A financial viability model will be developed after membership and administrative functions are addressed. Each organization’s Treasurer will participate in the development of the viability model (see workplan/timeline below).
- Other functional areas for integration include advocacy/regulatory/legislative/PAC; communication; technical assistance; data aggregation; and innovation (e.g. Medicare Advantage).
- While the intended brand of the integration is to be recognized in the field as a premier, post-acute, continuum-focused membership alliance, at least during the integration transition period outlined above, the organizations will maintain their two separate names.

### **Immediate Next Steps:**

Minnesota Home Care Association and LeadingAge Minnesota respective boards will execute a resolution in June 2018, conveying the following information:

- Minnesota Home Care Association and LeadingAge Minnesota have agreed to integrate their organizations to form a premier, post-acute, continuum-focused membership alliance, integrating their organizations in ways that will leverage greater influence and capacity, create efficiencies and better serve their collective members.
- The integration will occur over a transition period beginning in June 2018 and running through first quarter 2020. Key integration actions will include the following:
  - By year end 2018, the two organizations will plan and work towards integrating their governance, financial, administrative, programming and advocacy functions.
  - The organizations will execute legal and staff integration of the organizations in a parent subsidiary model first quarter 2019.
  - Full integration of organizational functions is anticipated in first quarter 2020.
- While the intended brand of the integration is to be recognized in the field as a premier, post-acute, continuum-focused membership alliance, at least during the integration transition period outlined above, the organizations will maintain their two separate names.
- No changes in dues or access to services and staff will occur during this transition time frame (through 2019).
- Minnesota Home Care Association and LeadingAge Minnesota will regularly and consistently update their membership on the integration progress throughout this transition period.