PCORI Board of Governors Webinar Teleconference

March 12, 2013

Eugene Washington, MD, MSc, Chairman

Board of Governors

Patient-Centered Outcomes Research Institute

Agenda

Time (Eastern)	Agenda Item
12:00–12:05 PM	Call to Order and Welcome
12:05–12:20 PM	Review Financial Audit of FY2012 • Webinar slide presentation and draft audit report • Discussion and call for approval of the 2012 financial audit
12:20–12:30 PM	Conflict of Interest Policy for PCORI Staff • Webinar slide presentation and draft document of the policy • Discussion and call for approval
12:30–1:00 PM	Introduction to newly approved projects in the Addressing Disparities program • Webinar slide presentation
1:00 PM	Adjournment

Review Independent Auditor's Report for FY2012

***Kerry Barnett**, Chair, Finance, Administration and Audit Committee, Board Member*
***Anne Beal, MD, MPH**, Deputy Executive Director and Chief Operating Officer*
***Pamela Goodnow**, Director of Finance*
***Tim Boldt**, McGladrey LLP*

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Independent Auditor's Report

McGladrey LLP will issue an unqualified opinion on the audited financial statements

Year 1: Calendar year ending December 31, 2011

Year 2: Calendar year ending December 31, 2012

Independent Auditor's Report

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*

Government Auditing Standards (*the "Yellow Book"*) contains standards for audits of government organizations, programs, activities, and functions and of government assistance received by contractors, nonprofit organizations, and other nongovernment organizations.

Procedures to provide assurance on internal control and compliance.

Independent Auditor's Report

There are no findings related to deficiencies in internal control over reporting.

There are no findings related to compliance or other matters.

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Financial Highlights

Closing Cash Balance: $299 million

In Thousands

Assets	2012	2011
Cash	$17,373	$4,483
Amounts Held By PCOR Trust Fund	281,615	158,078
	298,988	162,561
Prepaid Expenses	587	54
Deposits And Other Assets	521	708
Property And Equipment, net	2,656	159
Total Assets	**$302,753**	**$163,484**

Financial Highlights

Outstanding Research Commitments: $71 million

Cash Flow	*In Thousands* 2013
Opening Cash Balance	$298,988
Outstanding Commitments	
Pilot Projects	(30,221)
PFA August 2012 Cycle	(40,715)
Cash Available	$228,052

Financial Highlights

Funding

- Appropriations are received annually in 4Q
- Estimated transfers from the trust are received annually in 4Q; true-up in following year

	In Thousands
Revenue	**2012**
Federal Appropriations	$120,000
Transfers from Trust	
Federal Hospital Insurance (FHI) and Supplementary Medical Insurance (FSMI)	41,596
Interest Income	48
	$161,644

Financial Highlights

Fee Revenue

- No fee revenue recognized in the 2012 financial statements
- Fees will be reported on the Quarterly Federal Excise Tax Return Form 720; due July 31 of each year
- The fees that will be collected by the IRS for the plan years ending October 1, through December 31, 2012, will be reported on July 31, 2013
- Collections by the IRS will be deposited into the PCORTF between August 15, through October 15, 2013

Financial Highlights

Results of Operations

			In Thousands	
Contribution to Net Assets	**2012**		**2011**	
Revenue	$161,644		$120,024	
Program Support				
Research	8,115		1,181	
Communications, Outreach, and Engagement	6,061		1,848	
Methodology	4,393		1,410	
Total Program Support	18,569	80%	4,439	52%
Administrative Support				
Board	3,095		3,166	
General and Management	1,582		1,007	
Total Administrative Support	4,678	20%	4,173	48%
Change in Net Assets	**$138,398**		**$111,412**	

Independent Auditor's Report

Sequestration

The Budget Control Act of 2011 (BCA) went into effect on March 2, 2013.

The sequestration imposes cuts of 2.0 percent to Medicare and 7.6 percent to other non-exempt nondefense mandatory programs.

The impact on PCORI is unknown at this time.

PCORI's Financial Audit for FY2012

Call for a motion to approve:

- The Independent Auditor's Report for FY2012

Conflict of Interest Policy for PCORI Staff

Larry Becker, Chair, Standing Committee on Conflict of Interest (SCCOI)
Board Member

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Conflict of Interest Policy for PCORI Staff

- Required by statute (P.L. 111-148, Section 6301 (h)(4)(A)(i))
- Disclosed each year in Annual Report and updated as necessary
- Changes in disclosures required this year:
  - Disclosure of employment and personal associations of close relatives in health or healthcare sectors
  - Allowance for “to the best of your knowledge” with regard to investments, employment, and personal associations of close relatives

New Supplemental COI Policy for PCORI Staff: Divestiture of Health Related Investments

- New Supplemental COI Policy for PCORI Staff includes:
  - Prohibition and divestiture of investments in health or healthcare sectors
- Rationale
  - Disclosure alone not sufficient for staff
  - Recusal not an option on regular basis for staff, as it interferes with ability to carry out responsibilities

New Supplemental COI Policy for PCORI Staff: Divestiture of Health Related Investments

- Mitigation Plans
  - Conflicts are identified through disclosure annually and with updates as necessary
  - Divestiture plans are established between staff and PCORI within two months from date of disclosure
  - Complete divestiture is due no later than one year from date of disclosure
- Informing Applicants
  - Policy will be posted on pcori.org
  - Policy will be discussed during interviews

Conflict of Interest Policy for PCORI Staff

Call for a motion to approve:

- New Supplemental COI Policy for PCORI Staff

PCORI's Research Program: Addressing Disparities

Romana Hasnain-Wynia, PhD
Program Director, Addressing Disparities
March 12, 2013

Patient-Centered Outcomes Research Institute

PCORI's Research Portfolio: 25 Projects Funded in PFA August 2012 Cycle

9 Assessment of Options

6 Improving Healthcare Systems

6 Communication and Dissemination

4 Addressing Disparities

25 Total

Inaugural PFA Funding Cycle Totals
(Aug 2012 Cycle)
Slate of Awards Selected December 18, 2012

	Average	Total
Assessment of Options	1,698,072	15,282,647
Improving Healthcare Systems	1,653,590	9,921,541
Communication and Dissemination	1,421,132	8,526,789
Addressing Disparities	1,746,223	6,984,893
Grand Total	1,628,635	40,715,870

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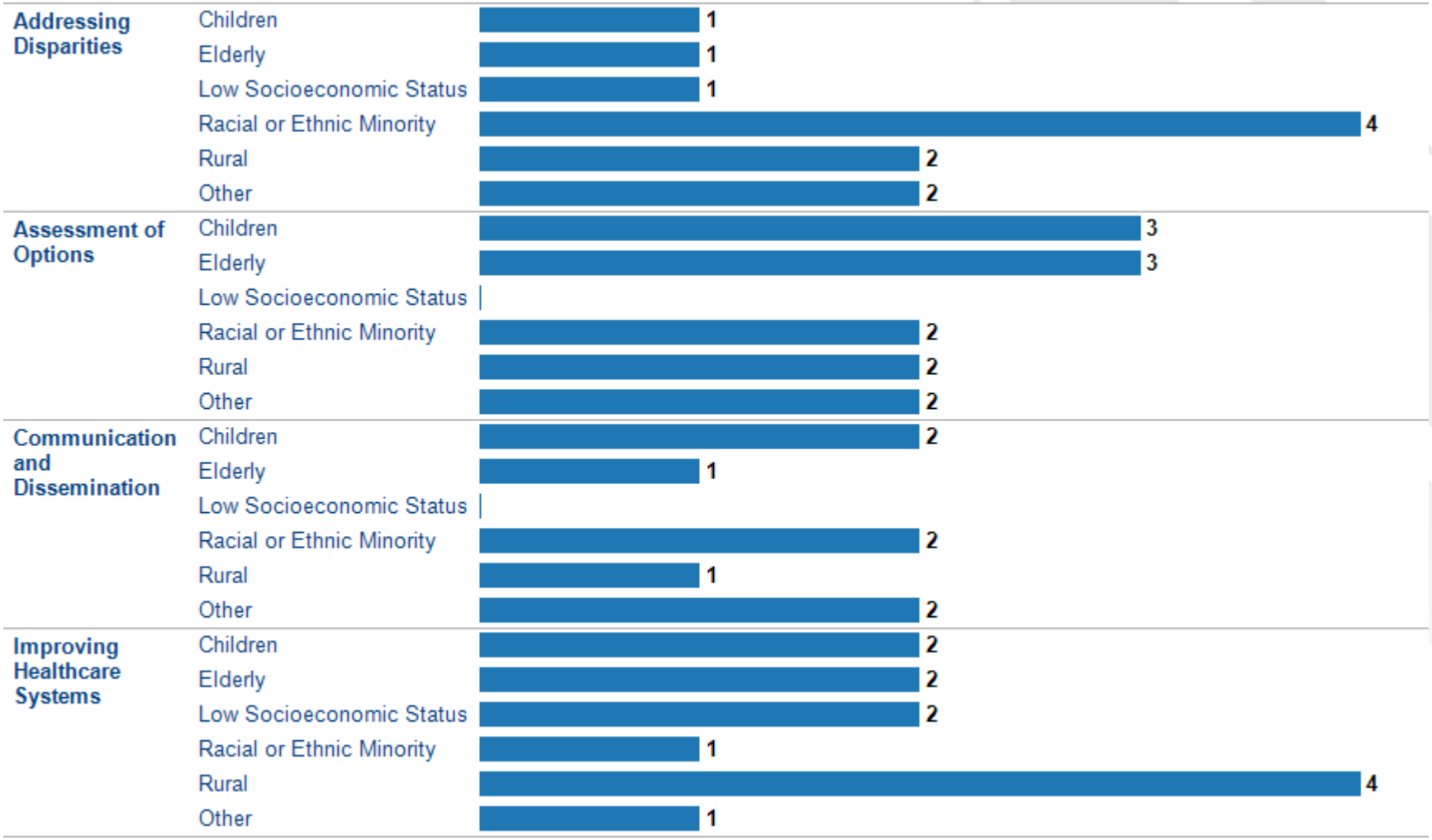
Addressing Disparities Program

- Will inform the choice of strategies to eliminate disparities
- We are not interested in studies that describe disparities; instead, we want studies that will identify best options for eliminating disparities
- Focus on areas of importance where there are critical disparities that disadvantage members of a particular group and limit their ability to achieve optimal, patient-centered outcomes

Populations by PFA



Other Population includes women, individuals with disabilities, and veterans.

August 2012 Cycle Approved Projects: Addressing Disparities Program

- Long-Term Outcomes of Community Engagement to Address Depression Outcomes Disparities (CA)
- Reducing Disparities with Literacy-Adapted Psychosocial Treatments for Chronic Pain: A Comparative Trial (AL)
- Reducing Health Disparities in Appalachians with Multiple Cardiovascular Disease Risk Factors (KY)
- Cultural Tailoring of Educational Materials to Minimize Disparities in HPV Vaccination (CO)

Long-Term Outcomes of Community Engagement to Address Depression Outcomes Disparities

Objective: To compare long-term (three years) outcomes of community engagement and planning compared with technical assistance to implement QI programs to improve depressed clients' health status and reduce risk for homelessness

Methods: Group level randomized trial of community engagement and planning versus technical assistance to implement depression QI improvement programs

Engagement plan: CPPR—Community-partnered participatory research model

Reducing Disparities with Literacy-Adapted Psychosocial Treatments for Chronic Pain: A Comparative Trial

Objective: To evaluate the feasibility, acceptability, and comparative effectiveness of health literacy–adapted psychosocial group treatments to a standard-treatment control.

Methods: Randomized control trial of two efficacious chronic pain interventions compared to standard treatment.

Engagement Plan: Expands on pre-existing relationships with community partners and patient partners.

Reducing Health Disparities in Appalachians with Multiple Cardiovascular Disease Risk Factors

Objective: To compare short-term (four months) and long-term (one year) impact of two interventions on CVD risk factor endpoints chosen by patients from their risk factors.

Methods: Two-group randomized, controlled comparative effectiveness trial to compare standard care (referral to PCP) with referral to PCP plus a patient-centered culturally appropriate self-care CVD risk-reduction intervention**.**

Engagement Plan: Focus groups of patients and stakeholders to develop intervention, community advisory board to monitor conduct of study, and patient feedback during group sessions.

Cultural Tailoring of Educational Materials to Minimize Disparities in HPV Vaccination

Objective: To compare three different educational approaches to inform HPV vaccine decision making among Latinas.

Methods: Phase I—Qualitative methods and feedback from young adult Latinas and parents of adolescent Latinas to create tools. Phase II—three armed, randomized controlled trial comparing three decision support interventions.

Engagement Plan: Focus groups with Hispanic community to provide input on tools/intervention. Community Advisory Board to help define spec research questions, assess impact of interventions, monitor study's progress, and help disseminate findings.

Adjournment