



Healthy Start, Inc.

9340 S.W. Barnes Rd. #200
Portland, Oregon 97225

February 4, 1998

Jerralyn Ness, Executive Director
Community Action Organization of Washington County
1001 S. W. Baseline
Hillsboro, Oregon 97123

Dear Jerralyn:

Healthy Start, Inc. has made the decision to seek a new parent organization for its well respected maternity outreach program, Opening Doors. We have identified your organization as one with which this model program might be a good fit. We are writing to you to determine your level of interest in pursuing this opportunity.

Using trained women from the community, Opening Doors seeks out low-income pregnant women at risk of not receiving adequate prenatal care and provides the needed education, advocacy and referrals to enable them to help themselves. Opening Doors staff also work directly with the providers and insurers of medical care to ensure that they are knowledgeable about the special needs and characteristics of this population, as well as the community resources available for them. The ultimate goals of the program are to encourage healthy birth outcomes and to have a positive effect on the *system of care* for low-income populations in Washington County.

Established in early 1995, Opening Doors has two employees (a program manager and team leader) and a staff of seven VISTA volunteers who conduct the outreach, advocacy and client management activities of the program. The program began as a pilot project in southern Washington County and has since expanded to provide services county-wide out of two full service offices (in Hillsboro and Tualatin) and one satellite (located on the Providence St. Vincent Hospital campus). All office space is provided as an in-kind donation to the program.

In 1997, 362 new clients entered the program; 269 clients delivered their babies, 92% of whom were born at term and healthy. In 1997, Opening Doors was honored by the Oregon Primary Care Association as "Outstanding Collaborative Effort" and nationally as a model for outreach service provision. An external evaluation of the program, conducted at the end of both the first and second years of operation, shows that the program has successfully met its goals and produced powerful and statistically significant outcomes. We have included some additional information about the program for your information.

In 1997, direct program costs totaled approximately \$131,000. Healthy Start, Inc. provides all administrative support for the program which last year cost about \$72,000. Opening Doors' operating budget for 1998 (exclusive of administrative costs) is \$175,000.

Opening Doors is supported by a diversified array of sources. About one-half of the program's direct expenses are funded by seven managed care health plans, most of which have supported the program since its inception. The remainder of the budget is funded through grants and private donations. The program has cash reserves which would accompany it and commitments for multi-year funding which we fully expect to be preserved in the transition of administration.

Healthy Start, Inc. has contractual commitments on behalf of Opening Doors which expire on June 30, 1998. We are interested in transferring the program on or before this date. Therefore, if your organization is interested in talking further about the opportunity the Opening Doors program can offer, we ask that you send a letter of interest to our Executive Director, Lynne Weidel **no later than February 13, 1998**. The level of response to this inquiry will determine our next steps.

Healthy Start, Inc.'s interest in transferring the management of Opening Doors is related to internal corporate issues and has nothing to do with the quality, financial status or future funding potential of the program. If you express interest in discussing the potential of assuming Opening Doors' operation, we will be happy to discuss these issues with you.

Thank you in advance for your careful consideration of this opportunity.

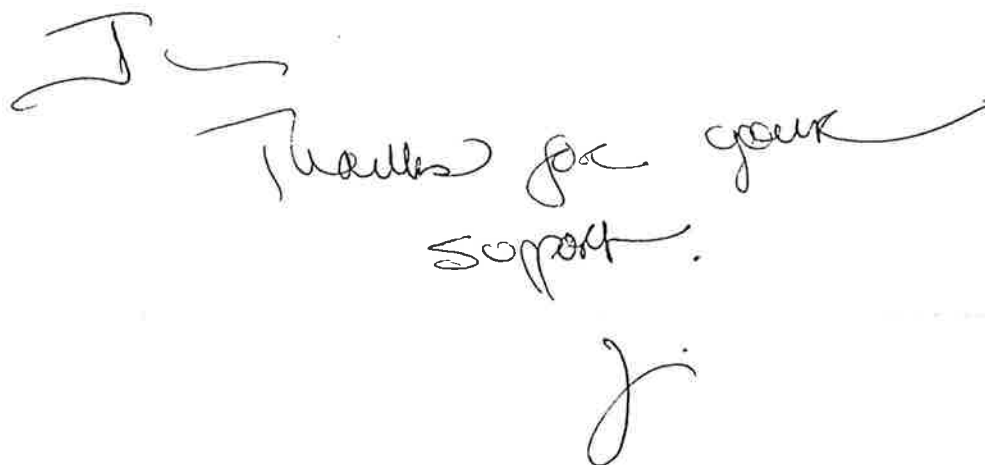
Sincerely,



Lynne Weidel
Executive Director



Don Elsom
President, Board of Directors



J
Thanks for your
support.
J



Opening Doors

A program of
Healthy Start, Inc.
made possible through
the collaboration of

OVERVIEW

Care Oregon

HMO Oregon

Kaiser Permanente

Legacy Meridan
Park Hospital

Meridian Park
Medical Foundation

PACC Health Plans

PacifiCare of Oregon

Providence Good
Health Plan

Tuality Alliance

The Opening Doors program has been designed to address and improve birth outcomes for low-income Washington County women, through the collaborative efforts of key health care players in the area. Its aim is to benefit clients, providers, and insurers alike.

To achieve positive birth outcomes, Opening Doors identifies low-income, pregnant women at risk of not receiving prenatal care; motivates them to seek prenatal care; and provides the needed information, referral, and advocacy to enable them to do so. The program staff assist providers and insurers to better understand the unique circumstances of low-income families that can interfere with early entry into care and compliance. In addition, the program utilizes networks of support services to respond to these circumstances.

The project also strives to facilitate the eligibility determination for potential Oregon Health Plan enrollees and to increase applicants' proper understanding and use of managed care systems. In addition, the project endeavors to increase the efficacy of physicians in private practice in serving low income clients through an educational process regarding the problems, issues, and needs of this population and through assisting providers to identify and link clients with needed supportive services in the community.

The services provided through this project also serve to identify and link uninsured clients with appropriate medical and supportive services early in pregnancy and to equitably distribute those unsponsored women, so as to better balance the provision of charity care.

The Opening Doors program is housed in the community which it serves. Six women from the community have been employed (as VISTA volunteers) and trained to serve as lay health outreach workers. These women were selected based on their strong ties to local residents and the ability to establish strong interpersonal relationships with them. More specifically, these workers have the same cultural and ethnic makeup as the communities they serve; are familiar with, and sensitive to, community characteristics; have the ability to speak the same language/dialect as the program participants; and share similar experiences and life circumstances as those they serve. Catherine Fleischman, a master's-prepared woman with significant experience working with low-income women, manages the project.

The pilot program of the Opening Doors project began service in January of 1995. This initial pilot served low-income residents living in the Tualatin, Sherwood, and Tigard areas (ZIP CODES: 97223, 97224, 97062, 97140). The program expanded in September of that same year to include Beaverton (ZIP CODES: 97005, 97008). In December of 1996, Opening Doors further extended its services to include western Washington County residents -- making services now available county-wide.

Opening Doors is sponsored by an existing collaboration in Washington County, Oregon known as Healthy Start, Inc. Not to be confused with national initiatives, Healthy Start is an eight-year-old joint venture among public and private healthcare organizations dedicated to assuring that all underserved, low-income families have the opportunity to receive comprehensive, high-quality, cost-effective and culturally sensitive services during pregnancy, delivery and infancy.

In addition to its two hospital-based programs that provide direct assistance to pregnant women in need, Healthy Start's administrative office has initiated a community-wide, maternity care planning and steering group. Serving as an umbrella organization, Healthy Start brings together major players in area healthcare to continually monitor and improve Washington County's maternity care network.

Healthy Start's founding partners include St. Vincent Hospital and Medical Center, Tuality Community Hospital, Oregon Health Sciences University, Virginia Garcia Memorial Health Center, and the Washington County Department of Health and Human Services. Late in 1994 Healthy Start welcomed the third hospital serving Washington County into its collaboration, Legacy Meridian Park. For the Opening Doors project, Healthy Start's partnership has been expanded to also include the Legacy Meridian Park Medical Foundation, Washington County's Commission on Children & Families, and seven prominent managed care organizations serving the county: CareOregon, HMO Oregon, Kaiser Permanente, PACC Health Plans, PacifiCare of Oregon, Providence Good Health Plan, and Tuality Alliance. It is this expanded collaboration that has made the Opening Doors concept a reality.

(For more information, contact Catherine Fleischman at 691-8552)



1001 SW Baseline St. • Hillsboro, OR • 97123 • Main (503) 648-6646 • Client Assistance (503) 648-0829 • Fax (503) 648-4175

February 13, 1998

Ms. Lynn Weidel, Executive Director
Healthy Start, Inc.
9340 S.W. Barnes Road
Portland, Oregon 97225

Dear Lynn:

Please accept this letter as an expression of interest from the Community Action Organization (CAO) to be considered for the new parent organization to operate Opening Doors. I have discussed this opportunity with my key staff and their response was extremely positive. We believe that the program fits well with our mission, provides critically needed services to our target population and draws upon our core competencies in early childhood and family development. In addition, Community Action has existing relationships with most of the entities funding Opening Doors.

Thank you for considering CAO. I look forward to discussing this opportunity further. Please let me know if you should need anything additional.

Sincerely,

Jerralynn Ness
Executive Director

f/jn/dev/opendoor



1001 SW Baseline St. • Hillsboro, OR • 97123 • Main (503) 648-6646 • Client Assistance (503) 648-0829 • Fax (503) 648-4175
March 2, 1998

MEMO

To: Ms. Lynn Weidel, Executive Director
Healthy Start, Inc.

From: Jerralynn Ness, Executive Director

Subject: Opening Doors

Thank you for the opportunity to meet with you and Kathryn to discuss Opening Doors. I have reviewed the materials that you provided me and remain very interested in being considered as the new parent organization. Renee Bruce, a CAO Manager, attended the February 23rd CCF's bidders' conference.

As requested, I am forwarding to you information about the Community Action Organization, in the form of an informational notebook that we prepare for our board members. Items that may be of greater interest to you and your board can be found under the following sections: Annual Plan, Board Roster, Budget, History, Organizational Charts, Partners and Strategic Plan. In addition, the Annual Report, Program Brochure and 1996-97 Audit are located in the side pockets.

I have reviewed the administrative functions that Healthy Start performs for Opening Doors. CAO provides nearly identical administrative support to all of the programs we operate. The exceptions are that we are not involved in health plan partnership development and do not currently have a contract for VISTA Volunteers. We have in the past, however, managed a contract with the VISTA program for about fifteen years. In addition, we have provided leadership to the development of many successful collaborative relationships.

CAO and Opening Doors share funding sources in common. CAO is a United Way Agency and has contracts with CDBG and the Commission on Children and Families. We have received grants and donations from the Oregon Community Foundation, Meridian Park Medical Foundation, Tuality Healthcare, Providence/St. Vincent's and Blue Cross/Blue Shield. In addition, one of our Head Start Centers is located at the same site in Tualatin as Opening Doors.

Please let me know if there is anything additional that you need. Thank you for the opportunity to be considered.

LETTER OF INTENT

1. PARTIES: This Letter of Intent is entered into between HEALTHY START, INC. (HSI), an Oregon non-profit corporation established as a 501(c)(3) organization and COMMUNITY ACTION ORGANIZATION (CAO), an Oregon non-profit corporation established as a 501(c)(3) organization.

2. PURPOSES AND OBJECTIVES: The parties to this Letter of Intent desire to commence discussions and analysis for the purpose of examining and possibly implementing a relationship whereby Opening Doors, HSI's maternity outreach program, would become a part of CAO. The parties desire to explore such a relationship to satisfy the following objectives:

- (a) enhanced ability to promote access to quality maternity care for low-income Washington County families;
- (b) enhanced operating resources to enable the parties to secure opportunities to improve the quality of programs and the number of people served; and
- (c) increased operating efficiencies, particularly in program administration.

3. MEMORANDUM OF UNDERSTANDING: The Executive Directors of HSI and CAO will work together to analyze the compatibility of the Opening Doors program and CAO in terms of mission and philosophy, finance, strategic direction and operations, and of the synergism that may be created by their affiliation. They will develop the terms of a Memorandum of Understanding, describing the structure of the relationship between the parties, which Memorandum of Understanding will be executed prior to the expiration of this Letter of Intent.

4. EXCLUSIVITY: HSI agrees that during the term of this Letter of Intent it will negotiate exclusively with CAO regarding the purposes and objectives stated in paragraph 2.

5. SHARING OF COSTS AND PROPRIETARY INFORMATION: Except as otherwise agreed, the parties will share equally in the cost of any jointly obtained consultation and advice. All reports, documents, communications, statistical analyses and other information resulting from such will not be released, exhibited or communicated to any person or agency not employed by a party to this Letter of Intent without the consent of the other party.

Letter of Intent - CAO/HSI
March 11, 1998
Page 2 of 3

6. EXCHANGE OF INFORMATION: At such time as is appropriate, and to the extent permitted by law, the parties will exchange relevant information concerning their operations. The information to be exchanged may include audited financial reports, client statistics, demographic data, documents describing public and private grant programs in which the parties participate and such other information as the parties deem relevant, and which legal counsel to the parties approve.

7. CONFIDENTIALITY: The parties agree that all information exchanged between them in the course of this study will be maintained in strict confidence, and will be used only for the purposes of the study and implementation of the results thereof. All such documentation will be promptly returned to the proper party without retaining copies, summaries or descriptions thereof in the event this Letter of Intent expires or is terminated without the execution of further documents. This agreement of confidentiality shall survive the term of termination of this Letter of Intent and shall continue in existence indefinitely.

8. TERM AND TERMINATION: The parties have agreed that this Letter of Intent, the commitments expressed herein and their agreement to engage in exclusive negotiations will continue in effect for a period through May 15, 1998 unless terminated sooner pursuant to this paragraph. Notwithstanding the foregoing, either party may terminate this Letter of Intent for any reason, and without cause or penalty, upon giving the other party no less than thirty (30) days written notice of the party's election to terminate this Letter of Intent.

9. DEFINITIVE AGREEMENT: The parties recognize and understand that except for the provisions of paragraphs 4, 5, 7 and 8 hereof, this Agreement does not constitute a binding and enforceable contractual commitment between them and does not obligate either party to execute any definitive agreement that may result from the processes described in this Letter of Intent. Furthermore, it is expressly agreed between the parties that the execution of this Letter of Intent shall not give rise to any legally enforceable right of claim for damages, injunctive relief, or any other form of judicially recognized award or right except only for the rights created in paragraphs 5, 6, 8 and 9 hereof. The parties anticipate that if their studies and discussions indicate that they may affiliate in such a way as to achieve the purposes and objectives noted above, then, and only then, will definitive agreements be negotiated by the parties which will set forth their legally enforceable rights and obligations.

This Letter of Intent is effective as of the date last executed.

HEALTHY START, INC.

Executive Director

Date: _____

Board of Trustees

Date: _____

**COMMUNITY ACTION
ORGANIZATION**

Executive Director

Date: _____

Board of Trustees

Date: _____

**OPENING DOORS
1997 REVENUE & EXPENSE STATEMENT
& FORWARD BUDGETS**

	1997 Budget	1997 Forecast Actual	1998 Budget	1999 Budget	2000 Budget
Revenue:					
Great Start	\$ 39,960	\$ 35,046	\$ 70,000	\$ 70,000	\$ 70,000
Health Plan Contributions	70,000	72,500	67,500	51,500	51,500
United Way			25,000	26,000	27,000
Grants	23,027				
Meridian Pk Med Found'	10,000	10,000	12,000	5,000	5,000
March of Dimes					
Comm. Dev. Block Grant			23,975	23,975	0
Oregon Comm. Foundation		4,000			
Oregon Comm. Foundation Carryover			36,000		
Other			2,000		
Reserve			40,000		
(Open)					
(Open)					
(Open)					
(Open)					
Contributions		2,261	4,000		
Donated Space					
Prov. St. Vincent	2,100	2,100	2,310	2,310	2,310
Tuality Comm. Healthcare	4,300	5,000	5,500	5,500	5,500
Tigard-Tualatin School District	In-Kind	In-Kind	In-Kind	In-Kind	In-Kind
Total Revenue:	\$ 149,387	\$ 130,907	\$ 288,285	\$ 184,285	\$ 161,310
Expense:					
<u>Personnel:</u>					
Project Manager	\$ 44,016	\$ 26,910	\$ 31,782	\$ 32,735	\$ 33,718
Team Leader		17,236	19,074	19,646	20,236
VISTA Volunteers	40,000				
Cost Share		30,960 (4 FTE)	50,000 (5 FTE)	60,000	60,000
Standard		In-Kind (3 FTE)	In-Kind (2 FTE)	In-Kind	In-Kind
Benefits	11,004	9,725	12,714	15,256	15,866
Total:	95,020	84,831	113,570	127,637	129,820
<u>Supplies and Services:</u>					
Rent, Utilities, Maintenance	\$ 6,400	\$ 7,100	\$ 7,810	\$ 7,810	\$ 7,810
Office Expense	2,160	900	600	600	600
Office Supplies	1,260	1,682	1,850	1,850	1,850
Postage	300	539	550	550	550
Telephone	4,800	2,927	3,220	3,220	3,220
Local Travel	8,370	6,537	7,000	7,000	7,000
Books & Periodicals	300	250	600	600	600
Insurance	2,500	2,991	0	0	0
Education & Training	700	540	1,300	1,300	1,300
Support Groups			1,000	1,000	1,000
Community Awareness	500	958	1,000	1,000	1,000
VISTA Recruitment	1,200	809	1,200	1,200	1,200
Travel, Meals & Lodging		934	1,000	1,000	1,000
Professional Fees	1,000	1,845	7,000	7,000	7,000
Incentive Program	7,500	5,645	6,250	6,250	6,250
Transportation Assistance	500	344	750	750	750
Miscellaneous	700	600	800	800	800
Adjustments for Inflation			1,260	1,300	1,350
(Open)					
(Open)					
(Open)					
(Open)					
Total:	\$ 38,190	\$ 34,601	\$ 43,190	\$ 43,230	\$ 43,280
Total Direct Expense:	\$ 133,210	\$ 119,432	\$ 156,760	\$ 170,867	\$ 173,100
Indirect Cost of 10%:	13,321	11,943	15,676	17,087	17,310
Total All Expenses:	\$ 146,531	\$ 131,375	\$ 172,436	\$ 187,954	\$ 190,410
Net Revenue:	\$ 2,856	\$ -468	\$ 115,849	\$ -3,669	\$ -29,100