BOARD OF GOVERNORS
Regular Meeting Minutes
Friday, March 13th, 2026
12:00 p.m. – 2:30 p.m.

Video Conference Call and

1240 S. Loop Road
Alameda, CA 94502

## 1. CALL TO ORDER

**Board of Governors Present:** Dr. Noha Aboelata (Vice Chair), Dr. Kathleen Clanon, Dr. Rollington Ferguson, Rebecca Gebhart, James Jackson, Byron Lopez, Andie Martinez-Patterson, Dr. Kelley Meade, Wendy Peterson, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Natalie Williams

**Board of Governors Remote (Traditional Brown Act):** None

**Board of Governors Excused:** Aaron Basrai, Andrea Ford, Dr. Marty Lynch, Jody Moore, Yeon Park

**Alliance Staff Present:** Matthew Woodruff, Dr. Donna Carey, Richard Golfin III, Gil Riojas, Anastacia Swift, Sasi Karaiyan, Tiffany Cheang, Lao Paul Vang

Acting Chair Dr. Aboelata called the regular Board of Governors meeting to order at 12:00 p.m.

## 2. ROLL CALL

Roll call was taken, and a quorum was established.

## 3. AGENDA APPROVAL

There were no modifications to the agenda.

## 4. INTRODUCTIONS

There were no introductions. Troy Szabo, General Counsel with Kennaday Leavitt, introduced himself and two colleagues, Scott Schoeffel and Noelle White who presented on the Brown Act and key issues.

## 5. CONSENT CALENDAR

a) **DECEMBER 9th, 2025, FINANCE COMMITTEE MEETING MINUTES**

b) **FEBRUARY 10th, 2026, FINANCE COMMITTEE MEETING MINUTES**

c) **DECEMBER 12th, 2025, COMPLIANCE ADVISORY COMMITTEE MEETING MINUTES**

### d) DECEMBER 12th, 2025, BOARD OF GOVERNORS MEETING MINUTES

### e) JANUARY 30th, 2026, BOARD OF GOVERNORS RETREAT MINUTES

### f) APPROVE RESOLUTION FOR QUALITY IMPROVEMENT AND HEALTH EQUITY COMMITTEE (QIHEC) NOMINEES

**Motion**: A motion was made by Natalie Williams and seconded by James Jackson to approve the Consent Calendar.

**Vote**: The motion was passed unanimously.

**Ayes**: Dr. Kathleen Clanon, Dr. Rollington Ferguson, Rebecca Gebhart, James Jackson, Byron Lopez, Andie Martinez-Patterson, Dr. Kelley Meade, Wendy Peterson, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Natalie Williams, Vice Chair Dr. Noha Aboelata.

No opposition or abstentions.

## 6. BOARD MEMBER REPORTS

### a) BOARD CHAIR REPORT

#### i. FORM 700 SUBMISSION

Interim Board Chair Dr. Aboelata reminded board members about the Form 700 submission deadline on April 1st.

### b) COMPLIANCE ADVISORY COMMITTEE

Dr. Meade reported that the Compliance Advisory Committee reviewed the compliance activity report, approved the December meeting minutes, discussed items related to the 2023 Focused Medical survey from DHCS, and reviewed the 2025 DMHC financial examination and routine full medical survey. Repeat findings included issues with the grievance and appeals process and a formulary issue, both of which are in remediation. The committee also received a presentation on program integrity and the plan's approach to fraud, waste, and abuse.

### c) FINANCE COMMITTEE

Dr. Ferguson stated that the Finance Committee did not meet in March but had previously met and would provide a detailed report from the CFO. Key points included continued improvement in Tangible Net Equity (TNE), a reasonable Medical Loss Ratio (MLR) in January, and a positive financial trend for eleven consecutive months.

### d) COMMUNITY ADVISORY SELECTION COMMITTEE

The board received an update on the Community Advisory Selection Committee, which reviewed membership, attendance, and recruitment efforts. The committee discussed confirming current members' intentions, individualized outreach to inactive members, and strategies to recruit younger adults and non-English speakers. Due to a lack of quorum, no action was taken on a new candidate, and the committee plans to reconvene in early April.

## 7. CEO UPDATE

CEO Woodruff began by recognizing Rebecca's impactful three-year tenure as board chair, highlighting her leadership through major organizational changes and advocacy with the state, and presented her with a commemorative plaque. He reported that community supports are expected to continue, though details on combining post-hospitalization housing and medical respite remain uncertain, with more information anticipated by June. The provider grant vote was postponed to May due to budget reviews and pending state decisions, with hopes for increased funding if finances allow. January financials showed a strong $9 million net income, attributed to successful rate advocacy, and year-to-date income reached $31 million. Legislative updates focused on planning for undocumented members, with ongoing state and county discussions about program structure for the 76,000 affected in Alameda County. Mr. Woodruff also outlined ongoing automation and AI initiatives to keep operations lean, and provided an update on the Medicare program, which has 220 members enrolled and is preparing for broader marketing once systems are ready, while continuing to address contracting gaps and using member feedback to improve processes.

*Question: Ms. Williams asked what will happen when post-hospitalization housing and medical respite are combined, and what are the financial implications? Mr. Woodruff and Ms. Karina Rivera explained that the details are unclear, that the state cannot pay for room and board, and that more information is expected by June.*

*Question: Dr. Seevak asked whether the funding stream from the state will remain the same for community supports? Mr. Woodruff clarified that the state aims to "right size" funding over the next few years, but the financing mechanism is not yet defined.*

*Question: Dr. Ferguson asked what the status is of contracting for Medicare specialties and major networks (Stanford and Sutter)? Mr. Woodruff stated they are close, with only a few specialties left, and are still negotiating with Stanford and Sutter, needing at least one to finalize the network.*

*Question: Dr. Seevak asked if we learned anything notable from the small Medicare member population's feedback? Mr. Meyers said they are gathering data from grievances, sales agents, and pharmacists and using it to improve the member experience and automate processes.*

## 8. BOARD BUSINESS

### a) BOARD CHAIR ELECTION AND VOTE

**Motion**: A motion was made by Dr. Evan Seevak and seconded by Natalie Williams to begin the election process for the position of Board Chair.

**Vote**: The motion was passed unanimously.

**Ayes**: Dr. Kathleen Clanon, Dr. Rollington Ferguson, Rebecca Gebhart, James Jackson, Byron Lopez, Andie Martinez-Patterson, Dr. Kelley Meade, Wendy Peterson, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Natalie Williams, Vice Chair Dr. Noha Aboelata.

No opposition or abstentions.

The Clerk of the Board conducted the election process for the position of Board Chair. Nominations were opened. The following individuals were nominated: Andrea Schwab Galindo and Dr. Rollington Ferguson.

Nominations were closed.

The Clerk conducted a roll-call vote. The vote results were as follows:

Andrea Schwab-Galindo – Eight (8) votes
Dr. Rollington Ferguson – Five (5) votes

Andrea Schwab-Galindo received the greatest number of votes and was elected Board Chair.

The Vice Chair continued to preside over the remainder of the meeting. The newly elected Chair will assume the role effective April 1st, 2026.

### b) REVIEW AND APPROVE HOSPITAL COUNCIL OF NORTHERN AND CENTRAL CA HOSPITAL SEAT NOMINEES

The Board reviewed two nominees for the Hospital Council of Northern and Central California seat: Marcus Watkings from Washington Hospital and Kayle Wechelman from Stanford. Both were presented as strong candidates with finance backgrounds. After the discussion, Marcus Watkins was nominated and approved.

**Motion**: A motion was made by Natalie Williams and seconded by Lena Tam to approve Marcus Watkins as the Hospital Seat nominee.

**Vote**: The motion was passed unanimously.

**Ayes**: Dr. Kathleen Clanon, Dr. Rollington Ferguson, Rebecca Gebhart, James Jackson, Byron Lopez, Andie Martinez-Patterson, Dr. Kelley Meade, Wendy Peterson, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Natalie Williams, Vice Chair Dr. Noha Aboelata.

No opposition or abstentions.

## c) BROWN ACT TRAINING

Troy Szabo and Scott Schoeffel from Kennaday Leavitt PC delivered a detailed training on the Brown Act, covering meeting compliance, confidentiality, conflicts of interest, and the appropriate role of board members, with questions addressed from the board.

1. Brown Act Meeting Compliance

The presenters explained the requirements for public meetings under the Brown Act, including the definition of a meeting, the prohibition of serial meetings, and the importance of ensuring all board business is conducted in compliance with open meeting laws.

2. Confidentiality in Closed Sessions

Board members were reminded that information discussed in closed sessions must remain confidential, with legal and reputational consequences for unauthorized disclosure. The process for handling confidential matters and the importance of board authorization for disclosure were emphasized.

3. Conflicts of Interest and Recusal

The training covered the Political Reform Act and Government Code Section 1090, outlining when board members must recuse themselves from decisions due to financial interests. The process for disclosure, recusal, and the consequences of violations were detailed, with practical advice provided.

4. Role of Board Members

The presenters clarified that board members are responsible for governance and strategic direction, not day-to-day management. They advised board members to work through the CEO for operational matters and avoid direct involvement with staff, except for CEO oversight.

*Question: Mr. Jackson asked if a serial meeting occurs if a member of the public breaks their word and talks to another board member. Counsel advised referring the public to the board's public comment period and not engaging in further discussion outside meetings.*

*Question: Dr. Ferguson asked about frequent conflicts due to grant requests and whether interested groups should recuse themselves. Counsel confirmed that board members with a conflict should not participate and reiterated the maxim "when in doubt, sit it out."*

*Question: Dr. Clanon asked about dual roles and the need to transact business with alliance employees. Counsel acknowledged the issue and suggested further board discussion.*

*Question: Dr. Aboelata asked whether board members should recuse themselves and leave the room during conflict items or state their recusal. Counsel confirmed that the member should state their recusal and physically leave until the item is concluded.*

Informational Item only.

## d) REVIEW AND APPROVE HOSPITAL NOVEMBER 2025, DECEMBER 2025, AND JANUARY 2026 MONTHLY FINANCIAL STATEMENTS

**NOVEMBER 2025 Financial Statement Summary**

**Enrollment:**

Enrollment decreased by 735 members since October 2025. Total enrollment decreased by 7,990 members since June 2025.

**Net Income:**

For the month ended November 30th, 2025, the Alliance reported a Net Income of $7.1 million (versus budgeted Net Income of $5.1 million). For the year-to-date, the Alliance recorded a Net Income of $21.4 million versus a budgeted Net Income of $19.4 million.

**Premium Revenue:**

For the month ended November 30th, 2025, actual Revenue was $183.3 million vs. our budgeted amount of $192.3 million.

**Medical Expense:**

Actual Medical Expenses for the month were $169.5 million, vs. budgeted amount of $178.2 million. For the year-to-date, actual Medical Expenses were $883.8 million vs. budgeted Medical Expense of $892.6 million.

**Medical Loss Ratio:**

Our MLR ratio for this month was reported as 92.5%. The year-to-date MLR was 93.8%.

**Administrative Expense:**

Actual YTD Administrative Expenses for the month ending November 30th, 2025, were $8.8 million vs. our budgeted amount of $11.8 million. Our Administrative Loss Ratio (ALR) is 4.8% of our Revenue for the month, and 5.2% of Net Revenue for year-to-date.

**Other Income / (Expense):**

As of November 30th, 2025, our YTD interest income from investments show a gain of $12.1 million.

**Managed Care Organization (MCO) Provider Tax:**

For the month ending November 30th, 2025, we reported $64.2 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of $64.0 million. Our MCO Tax Expense was $64.2 million vs. budgeted MCO Tax Expense of $64.0 million.

**Tangible Net Equity (TNE):**

For November, the DMHC requires that we have $79.8 million in TNE, and we reported $190.6 million, leaving an excess of $110.9 million. As a percentage we are at 239%, which remains above the minimum required.

**Cash and Cash Equivalents:**

We reported $558.2 million in cash; $396.0 million is uncommitted. Our current ratio is above the minimum required at 1.14 compared to regulatory minimum of 1.0.

**Capital Investments:**

We have acquired $24,000 in Capital Assets year-to-date. Our annual capital budget is $1.4 million.

## DECEMBER 2025 Financial Statement Summary

### Enrollment:

Enrollment decreased by 2,269 members since November 2025. Total enrollment decreased by 10,259 members since June 2025.

### Net Income:

For the month ended December 31st, 2025, the Alliance reported a Net Income of $968,000 (versus budgeted Net Loss of $1.2 million). For the year-to-date, the Alliance recorded a Net Income of $22.3 million versus a budgeted Net Income of $18.3 million.

### Premium Revenue:

For the month ended December 31st, 2025, actual Revenue was $192.1 million vs. our budgeted amount of $191.4 million.

### Medical Expense:

Actual Medical Expenses for the month were $183.2 million, vs. budgeted amount of $182.3 million. For the year-to-date, actual Medical Expenses were $1.1 billion vs. budgeted Medical Expense of $1.1 billion.

### Medical Loss Ratio:

Our MLR ratio for this month was reported as 95.4%. The year-to-date MLR was 94.1%.

### Administrative Expense:

Actual YTD Administrative Expenses for the month ending December 31st, 2025, were $10.5 million vs. our budgeted amount of $13.2 million. Our Administrative Loss Ratio (ALR) is 5.4% of our Revenue for the month, and 5.2% of Net Revenue for year-to-date.

### Other Income / (Expense):

As of December 31st, 2025, our YTD interest income from investments show a gain of $14.6 million.

### Managed Care Organization (MCO) Provider Tax:

For the month ending December 31st, 2025, we reported $64.2 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of $63.6 million. Our MCO Tax Expense was $64.2 million vs. budgeted MCO Tax Expense of $63.6 million.

### Tangible Net Equity (TNE):

For October, the DMHC requires that we have $80.1 million in TNE, and we reported $183.6 million, leaving an excess of $103.4 million. As a percentage we are at 229%, which remains above the minimum required.

### Cash and Cash Equivalents:

We reported $756.9 million in cash; $422.7 million is uncommitted. Our current ratio is above the minimum required at 1.12 compared to regulatory minimum of 1.0.

### Capital Investments:

We have acquired $24,000 in Capital Assets year-to-date. Our annual capital budget is $1.4 million.

## JANUARY 2026 Financial Statement Summary

### Enrollment:

Total enrollment decreased by 5,904 members since December 2025.
Total enrollment decreased by 16,163 members since June 2025.

### Net Income:

For the month ended January 31st, 2026, the Alliance reported a Net Income of $9.4 million (versus budgeted Net Loss of $4.4 million). For the year-to-date, the Alliance recorded a Net Income of $31.7 million versus a budgeted Net Income of $13.9 million.

### Premium Revenue:

For the month ended January 31st, 2026, actual Revenue was $198.9 million vs. our budgeted amount of $188.5 million.

### Medical Expense:

Actual Medical Expenses for the month were $179.4 million, vs. budgeted amount of $183.2 million. For the fiscal year-to-date, actual Medical Expenses were $1.2 billion vs. budgeted Medical Expense of $1.3 billion.

### Medical Loss Ratio:

Our MLR ratio for this month was reported as 90.2%. The year-to-date MLR was 93.5%.

### Administrative Expense:

Actual YTD Administrative Expenses for the month ending January 31st, 2026, were $12.2 million vs. our budgeted amount of $12.6 million. Our Administrative Loss Ratio (ALR) is 6.1% of our Revenue for the month, and 5.3% of Net Revenue for year-to-date.

### Other Income / (Expense):

Fiscal year-to-date net investments show a gain of $16.7 million.

### Managed Care Organization (MCO) Provider Tax:

For the month ending January 31st, 2026, we reported $65.9 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of $62.8 million. Our MCO Tax Expense was $65.9 million vs. budgeted MCO Tax Expense of $62.8 million.

### Tangible Net Equity (TNE):

The DMHC requires that we have $80.6 million in TNE, and we reported $201.0 million, leaving an excess of $120.4 million. As a percentage we are at 249%, which remains above the minimum required.

### Cash and Cash Equivalents:

We reported $625.5 million in cash; $224.6 million is uncommitted. Our current ratio is above the minimum required at 1.14 compared to regulatory minimum of 1.0.

### Capital Investments:

We have acquired $0 in Capital Assets year-to-date. Our annual capital budget is $1.4 million.

*Question: Regarding the January results, Dr. Ferguson asked if the increase in group care program members was coming out of the optional expansion or the adult sub-net. Mr. Riojas responded that they would guess adults, but did not have a definitive answer.*

*Question: Ms. Williams asked if the spike in hardware costs would be followed by a fall or if high demand would continue for years. Mr. Karaiyan responded that the cost may stabilize a little but is expected to remain high due to AI demand and faster processing needs; it is unpredictable with current variables.*

**Motion**: A motion was made by Dr. Rollington Ferguson and seconded by Dr. Evan Seevak to approve the November 2025, December 2025, and January 2026 monthly financial statements.

**Vote**: The motion was passed unanimously.

**Ayes**: Dr. Kathleen Clanon, Dr. Rollington Ferguson, Rebecca Gebhart, James Jackson, Byron Lopez, Andie Martinez-Patterson, Dr. Kelley Meade, Wendy Peterson, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Natalie Williams, Vice Chair Dr. Noha Aboelata.

No opposition or abstentions.

## e) FISCAL YEAR 2026 SECOND QUARTER FORECAST

Highlights

- 2026 Projected Net Income of $38.0 million.
- Projected Tangible Net Equity (TNE) is 253% of required TNE.
- Year-end projected enrollment is 370,000 in June 2026, down 42K from the prior year.
- Revenue is $2.3 billion, $29.8 million higher than the Final Budget due to favorable rates offset by ECM risk adjustment reduction.
- Medical Expense totals $2.1 billion in FY 2026, a decrease of $9 million (-0.6%) from the Final Budget.
- Administrative Department Expenses are $1.6 million higher than Final Budget, representing 5.9% of revenue.
- Clinical Department Expenses are $4.2 million lower than Final Budget and comprise 2.2% of revenue.
- AAH's Medicare D-SNP Program started in January 2026.
- DHCS revised ECM risk scores which lowered rates by 1.1% resulting in approximately $200,000 loss.
- Medicare Part A Premium Buy In Phase II did not occur as planned therefore resulting in a $37.1 million increase to revenue.
- DSNP Revenue variance resulted from actual risk score exceeding the value assumed in the bid submitted to CMS.

Areas of Uncertainty

- CY2025 Medi-Cal Rates are not final, and areas of amendment considerations are related to Prop 35, Eligibility Verification, LTC Fee Schedule Changes, LTC Risk Adjustment, Wellness Coach adjustment to UIS population, and HR 1 impact.
- CY2026 Final Prospective Rate Components are subjected to adjustments due to Policy changes.
- DSNP member Risk Scores are higher than projected bid, it is unknown the potential impact of Revenue or Medical Expense.
- Capturing DSNP utilization costs is challenging due to limited trend data.

- ECM is designed for high-touch, person-centered care; DHCS is aligning payment to value through the forthcoming ECM Payment Resource, and CY 2026 rates will blend clinical assumptions with emerging MCP experience trended forward.
- DHCS mandated Community Support – Transitional Rent, started in January 2026, provides 6 months of rental assistance for eligible members facing or at risk of homelessness. This was not in FY2026 Budget.
- The revenue implications of enrollment changes are still uncertain.

*Question: Dr. Ferguson asked if the report timing was late since it is almost the end of the fiscal year. Mr. Riojas explained that it is the typical month for the Q2 forecast due to the timing of financial closes and reporting, and the last forecast will be in June with nine months of data.*

*Question: Dr. Seevak asked what the projected losses for Medicare are, and if the more favorable projection impacts decisions over the next months, especially regarding provider grants. Mr. Riojas stated the projected Medicare loss is about $11.8 million for the year. Mr. Woodruff added that while positive results are good, the focus remains on building tangible net equity to 350%, and decisions like provider grants must remain prudent due to ongoing uncertainties.*

Informational Item Only.

## 9. STAFF UPDATES

There were no staff updates.

## 10. UNFINISHED BUSINESS

None.

## 11. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS

None.

## 12. PUBLIC COMMENT (NON-AGENDA ITEMS)

There were no public comments for non-agenda items.

## 13. ADJOURNMENT

The meeting was adjourned at 1:59 p.m.