BOARD OF GOVERNORS
Regular Meeting Minutes
Friday, May 8th, 2026
12:00 p.m. – 2:00 p.m.

Video Conference Call and

1240 S. Loop Road
Alameda, CA 94502

1. CALL TO ORDER

Board of Governors Present: Andrea Schwab-Galindo (Chair), Dr. Noha Aboelata (Vice Chair), Aaron Basrai, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, Rebecca Gebhart, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Dr. Evan Seevak, Supervisor Lena Tam

Board of Governors Remote: None

Board of Governors Excused: Andie Martinez-Patterson, Jody Moore, Natalie Williams

Alliance Staff Present: Matthew Woodruff, Dr. Donna Carey, Stephen Smythe, Gil Riojas, Anastacia Swift, Sasi Karaiyan, Tiffany Cheang, Lao Paul Vang, Ruth Watson

Chair Andrea Schwab-Galindo called the regular Board of Governors meeting to order at 12:01 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

Mr. Marcus Watkins was introduced as the new board member, replacing Mr. Tosan Boyo. Mr. Stephen Smythe was announced as the Interim Compliance and Privacy Officer. The Board also acknowledged Ms. Ruth Watson's final day and thanked her for her service.

5. CONSENT CALENDAR

a) MARCH 13th, 2026, BOARD OF GOVERNORS MEETING MINUTES

b) MARCH 13th, 2026, COMPLIANCE ADVISORY COMMITTEE MEETING MINUTES

c) APPROVE RESOLUTION FOR EXECUTIVE COMMITTEE MEMBERSHIP UPDATES

Motion: A motion was made by James Jackson and seconded by Dr. Marty Lynch to approve the Consent Calendar.

Vote: The motion was passed unanimously.

Ayes: Aaron Basrai, Dr. Rollington Ferguson, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Dr. Evan Seevak, Vice Chair Dr. Noha Aboelata, Chair Andrea Schwab-Galindo.

No opposition or abstentions.

6. BOARD MEMBER REPORTS

a) COMPLIANCE ADVISORY COMMITTEE

Dr. Kelley Meade reported that the 2023 audits are nearing completion, with remaining items being addressed collaboratively with the County, including matters related to data exchange and mental health. Updates were also provided regarding the 2025 DMHC full medical audit and the 2026 DHCS routine survey process. Upcoming CMS and network validation audits were discussed, with additional updates to be provided at future meetings.

Dr. Meade also highlighted ongoing privacy and compliance efforts, noting that all privacy incidents and breaches were resolved internally within required timeframes with no external escalations. The privacy team was commended for its diligence in addressing potential vulnerabilities and maintaining strong compliance practices.

b) FINANCE COMMITTEE

Dr. Rollington Ferguson presented the Finance Committee report and provided an overview of the Alliance's financial performance for January through March. Total expenses and net income trends remained positive during the reporting period, while the medical loss ratio and administrative loss ratio remained within expected ranges.

Dr. Ferguson also discussed ongoing enrollment declines, including impacts within the homeless population, noting that the trend will require further analysis and additional discussion at a future meeting. The Committee further reviewed ESG investment performance and discussed the potential reallocation of long-term investments, which would be presented to the Board for consideration at a later date. Overall, financial metrics were reported as stable and trending positively despite ongoing enrollment concerns.

7. CEO UPDATE

Mr. Woodruff presented the CEO report, highlighting organizational updates, program developments, and policy matters. He acknowledged the success of the Alliance's 30th anniversary event and provided updates on the Hospital to Home program at UCSF and the opening of Arnold's Place medical respite center in Alameda.

Mr. Woodruff also discussed ongoing Medi-Cal contracting challenges, state budget impacts affecting benefits for undocumented members, pending legislative proposals related to managed care, and a summary of member grievances and related compliance findings. Preliminary 2025 HEDIS results were reviewed, reflecting strong performance measures and successful medical record review validation. The report concluded with recognition of staff efforts in outreach, legislative advocacy, and privacy compliance, as well as continued concern regarding declining membership and its impact on access to care and the safety net system.

Question: Dr. Lynch asked Mr. Woodruff to clarify comments regarding the controlling blood pressure measure, including how the measure was missed and whether performance was being tracked across racial and ethnic groups. Mr. Woodruff explained that the measure was missed by nine records and emphasized the importance of blood pressure management. Ms. Cheang stated that the measure is sample-based and that additional evaluation across demographic groups would be conducted, with findings to be shared with providers and the Board at a future meeting.

8. BOARD BUSINESS

a) BROWN ACT CHANGE AND BOARD VOTE

Mr. Woodruff and Ms. Serri provided an overview of recent Brown Act legislative updates, including SB 707, which allows greater flexibility for teleconferenced public meetings and eliminates certain prior quorum and location posting requirements. The Board discussed proposed meeting format changes, designating the June, December, and January meetings as in-person meetings, with all remaining meetings to be held virtually. Discussion included the importance of in-person meetings for strategic discussions, Board engagement, and onboarding, while recognizing the flexibility provided through virtual participation. Clarification was provided that remote participation and voting would continue to count toward quorum requirements for all meetings.

Motion: A motion was made by Dr. Kathleen Clanon and seconded by James Jackson to approve the proposed meeting structure, designating the June, December, and January meetings as in-person meetings, with all remaining meetings to be held virtually.

Vote: The motion passed.

Ayes: Aaron Basrai, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Andrea Schwab-Galindo

Noes: Rebecca Gebhart, Wendy Peterson, Dr. Evan Seevak

Abstentions: Yeon Park

b) MEDICARE UPDATE

Ms. Watson and Mr. Meyers reported 276 successful enrollments, strategic pacing for CMS star ratings, aggressive growth targets, and operational highlights (call metrics, claims, HRAs). Provider engagement and pay-for-performance pilot were discussed, with challenges around pharmacy benefit manager transition and network adequacy.

Question: Ms. Gebhart asked for an example of a transaction that counts as risk adjustment and what it means. Mr. Meyers explained that risk adjustment is a Medicare and marketplace financial reimbursement method based on ICD-10 codes. When a member is diagnosed with a condition like diabetes, it is coded and sent to CMS, which adjusts payments based on the risk level. More complex or multiple diagnoses increase the risk score and reimbursement. Ms. Cheang and Mr. Woodruff added that accurate and annual coding is essential, and providers must document all relevant conditions each year for proper risk adjustment.

Question: Dr. Lynch asked if annual wellness visits (AWVs) would be covered in the presentation, noting their importance and the challenges in getting them done. Ms. Cheang responded that AWVs are included in the pay-for-performance pilot and acknowledged the workflow challenges. She said the team is collaborating with providers to improve processes and is exploring options like group visits, which CMS recently confirmed are allowed.

Question: Ms. Schwab-Galindo asked how learnings from the pilot are being shared with other providers? Ms. Cheang said best practices and lessons from the pilot are being carried forward; gap reports and outreach are expanding to more providers, though some have very few members.

Question: Ms. Peterson asked if there have been any learnings from the forty-four disenrollments. Mr. Meyers explained that seven members passed away; the workgroup is analyzing grievances, appeals, and benefit issues (e.g., unexpected prescription copays) to improve policies and communication.

Informational Item only.

c) REVIEW AND APPROVE FEBRUARY AND MARCH 2026 MONTHLY FINANCIAL STATEMENTS

FEBRUARY 2026 Financial Statement Summary

Enrollment:

Enrollment decreased by 3,787 members since January 2026. Total enrollment decreased by 19,950 members since June 2025.

Net Income:

For the month ended February 28th, 2026, the Alliance reported a Net Income of $21.8 million (versus budgeted Net Income of $8.3 million). For the year-to-date, the Alliance recorded a Net Income of $53.5 million versus a budgeted Net Income of $22.1 million.

Premium Revenue:

For the month ended February 28th, 2026, actual Revenue was $191.1 million vs. our budgeted amount of $186.3 million.

Medical Expense:

Actual Medical Expenses for the month were $160.3 million, vs. budgeted amount of $169.8 million. For the year-to-date, actual Medical Expenses were $1.4 billion vs. budgeted Medical Expense of $1.4 billion.

Medical Loss Ratio:

Our MLR ratio for this month was reported as 83.9%. The year-to-date MLR was 92.3%.

Administrative Expense:

Actual YTD Administrative Expenses for the month ending February 28th, 2026, were $10.7 million vs. our budgeted amount of $11.0 million. Our Administrative Loss Ratio (ALR) is 5.6% of our Revenue for the month, and 5.4% of Net Revenue for year-to-date.

Other Income / (Expense):

As of February 28th, 2026, our YTD interest income from investments shows a gain of $18.3 million.

Managed Care Organization (MCO) Provider Tax:

For the month ending February 28th, 2026, we reported $65.0 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of $61.9 million. Our MCO Tax Expense was $65.0 million vs. budgeted MCO Tax Expense of $61.9 million.

Tangible Net Equity (TNE):

For February, the DMHC requires that we have $78.4 million in TNE, and we reported $222.8 million, leaving an excess of $144.4 million. As a percentage, we are at 284%, which remains above the minimum required.

Cash and Cash Equivalents:

We reported $644.5 million in cash; $268.9 million is uncommitted. Our current ratio is above the minimum required at 1.16 compared to the regulatory minimum of 1.0.

Capital Investments:

We have acquired $36,000 in Capital Assets year-to-date. Our annual capital budget is $1.4 million.

MARCH 2026 Financial Statement Summary

Enrollment:

Enrollment decreased by 5,505 members since February 2026. Total enrollment decreased by 25,455 members since June 2025.

Net Income:

For the month ended March 31st, 2026, the Alliance reported a Net Income of $13.1 million (versus budgeted Net Loss of $2.9 million). For the year-to-date, the Alliance recorded a Net Income of $66.6 million versus a budgeted Net Income of $19.2 million.

Premium Revenue:

For the month ended March 31st, 2026, actual Revenue was $188.3 million vs. our budgeted amount of $184.1 million.

Medical Expense:

Actual Medical Expenses for the month were $167.2 million, vs. budgeted amount of $178.2 million. For the year-to-date, actual Medical Expenses were $1.6 billion vs. budgeted Medical Expense of $1.6 billion.

Medical Loss Ratio:

Our MLR ratio for this month was reported as 88.8%. The year-to-date MLR was 91.9%.

Administrative Expense:

Actual YTD Administrative Expenses for the month ending March 31st, 2026, were $11.2 million vs. our budgeted amount of $11.8 million. Our Administrative Loss Ratio (ALR) is 6.0% of our Revenue for the month, and 5.4% of Net Revenue for year-to-date.

Other Income / (Expense):

As of March 31st, 2026, our YTD interest income from investments shows a gain of $21.7 million.

Managed Care Organization (MCO) Provider Tax:

For the month ending March 31st, 2026, we reported $63.8 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of $61.1 million. Our MCO Tax Expense was $63.8 million vs. budgeted MCO Tax Expense of $61.1 million.

Tangible Net Equity (TNE):

For March, the DMHC requires that we have $79.4 million in TNE, and we reported $235.9 million, leaving an excess of $156.4 million. As a percentage, we are at 297%, which remains above the minimum required.

Cash and Cash Equivalents:

We reported $928.4 million in cash; $564.1 million is uncommitted. Our current ratio is above the minimum required at 1.17 compared to the regulatory minimum of 1.0.

Capital Investments:

We have acquired $51,000 in Capital Assets year-to-date. Our annual capital budget is $1.4 million.

Motion: A motion was made by Dr. Evan Seevak and seconded by Dr. Kelley Meade to approve the February and March 2026 monthly financial statements.

Vote: The motion was passed unanimously.

Ayes: Aaron Basrai, Dr. Kathleen Clanon, Andrea Ford, Rebecca Gebhart, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Andrea Schwab-Galindo.

No opposition or abstentions.

d) REVIEW AND APPROVE RESOLUTION FOR CALIFORNIA LOCAL AGENCY INVESTEMENT FUND (LAIF)

Motion: A motion was made by Dr. Evan Seevak and seconded by Aaron Basrai to approve the resolution for the California Local Agency Investment Fund (LAIF).

Vote: The motion was passed unanimously.

Ayes: Aaron Basrai, Dr. Kathleen Clanon, Rebecca Gebhart, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Dr. Evan Seevak, Vice Chair Dr. Noha Aboelata, Chair Andrea Schwab-Galindo.

No opposition or abstentions.

e) REVIEW AND APPROVE RESOLUTION: PROVIDER GRANTS

Motion: A motion was made by Dr. Marty Lynch and seconded by James Jackson to approve the Provider Grants Resolution.

Vote: The motion was passed unanimously.

Ayes: Aaron Basrai, Dr. Kathleen Clanon, Andrea Ford, Rebecca Gebhart, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Andrea Schwab-Galindo.

No opposition or abstentions.

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 1:30 p.m.