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BOARD OF GOVERNORS
Regular Meeting Minutes
Friday, July 11th, 2025
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: Rebecca Gebhart (Chair), Dr. Noha Aboelata (Vice Chair), Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Andrea Schwab-Galindo, Natalie Williams

Board of Governors Remote: Tosan Boyo (“Just Cause”), Andie Martinez-Patterson (“Just Cause”)

Board of Governors Excused: Aaron Basrai, Jody Moore, Dr. Evan Seevak, Supervisor Lena Tam

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

Chair Gebhart 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.

5. CONSENT CALENDAR

- a) JUNE 10th, 2025, FINANCE COMMITTEE MEETING MINUTES
- b) JUNE 13th, 2025, COMPLIANCE ADVISORY COMMITTEE MEETING MINUTES
- c) JUNE 13th, 2025, BOARD OF GOVERNORS MEETING MINUTES

- d) **REVIEW AND APPROVE RESOLUTION RE-APPOINTING DR. MARTY LYNCH TO DESIGNATED BOARD OF GOVERNORS SEAT (AT-LARGE SPD POPULATION)**
- e) **2024 CASE MANAGEMENT & CARE COORDINATION, COMPLEX CASE MANAGEMENT & DISEASE MANAGEMENT PROGRAM EVALUATION**
- f) **2025 CASE MANAGEMENT & CARE COORDINATION, COMPLEX CASE MANAGEMENT & DISEASE MANAGEMENT PROGRAM DESCRIPTION**
- g) **2024 UTILIZATION MANAGEMENT PROGRAM EVALUATION**
- h) **2025 UTILIZATION MANAGEMENT PROGRAM DESCRIPTION**
- i) **2024 QUALITY IMPROVEMENT – PROGRAM EVALUATION**
- j) **2025 QUALITY IMPROVEMENT – PROGRAM DESCRIPTION**

Motion: A motion was made by Natalie Williams and seconded by Dr. Kelley Meade to approve the Consent Calendar.

Vote: The motion was passed unanimously.

Ayes: Tosan Boyo, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Andrea Schwab-Galindo, Natalie Williams, Chair Rebecca Gebhart.

No opposition or abstentions.

6. BOARD MEMBER REPORTS

a) CAC SELECTION COMMITTEE

Chair Rebecca Gebhart reported on the CAC Selection Committee meeting held on June 30th. The committee reviewed member attendance requirements, recruitment priorities, and approved a slate of six new members representing diverse backgrounds.

b) COMPLIANCE ADVISORY COMMITTEE

Dr. Kelley Meade provided an update on the Compliance Advisory Committee meeting, highlighting the significant decrease in audit findings since 2018, noting the progress made in compliance infrastructure, and an internal compliance risk assessment process was introduced, led by Anne Beech, the new Senior Director for Risk Management. This process was previously vendorized.

c) FINANCE COMMITTEE

Dr. Rollington Ferguson reported on the Finance Committee meeting, noting a net income of \$1.4 million for May 2025, with a TNE of 202% and an MLR of 95%. He noted that financials have stabilized, but medical expenses continue to outpace budgeted numbers. Dr. Ferguson also discussed the potential adverse impact of the recent federal bill on the Alliance, highlighting the need for further analysis and preparation for the changes. Despite the improved financials, the Alliance is still required to report monthly to the state due to its financial status. The duration of this requirement is uncertain.

7. CEO UPDATE

CEO Matt Woodruff provided an update on the recent federal bill H.R.1, which includes changes to Medicaid eligibility, retroactive coverage, work requirements, and restrictions on payments to entities providing abortions.

Eligibility Changes: Starting in 2027, beneficiaries will need to provide their address and Social Security number to be eligible for Medicaid, impacting homeless individuals. Redeterminations for the adult expansion population will occur every six months starting December 2027.

Coverage Limitations: The bill limits retroactive coverage to one month for expansion enrollees and two months for non-expansion beneficiaries, starting in 2027. It also restricts coverage for certain immigrant groups.

Work Requirements: Work requirements will start in 2027, requiring 80 hours of qualifying activity per month for individuals aged 19 to 64. States can request a good-faith exemption until the end of 2028.

Abortion Service: The bill includes a one-year ban on Medicaid payments to certain nonprofits providing abortion services. Planned Parenthood has filed a lawsuit in response to this provision.

Provider Payments: The bill affects managed care taxes and state-directed payments, potentially reducing provider payments and impacting hospitals in Alameda County. The Alliance has never taken its percentage of directed payments, so its bottom line will not be affected.

Question: Ms. Williams inquired about potential loopholes or ways for the Alliance to reduce medical losses under the new federal bill.

Response: Mr. Woodruff explained that the Alliance will convene groups, possibly starting in August, to assess the situation and prepare for upcoming changes, but no definitive answers are available yet.

Comment: Mr. Boyo emphasized that all hospitals, especially in the East Bay, where one out of three patients are on Medi-Cal, will face significant challenges due to the upcoming changes, particularly in 2026, and highlighted the need for awareness of the magnitude of these impacts.

Comment: Ms. Schwab-Galindo stressed the importance of understanding recent changes' broad effects on members, providers, and the plan, especially regarding equity, access, and safety-net issues. She noted restrictions could limit patient clinic access, pushing them to hospitals, impacting trust and connectedness. She urged dedicated time or smaller groups to develop solutions for compliance, operational, and financial challenges before the 2026 deadlines. She emphasized the need for clarity and timely action amid evolving guidance.

Comment: Dr. Lynch and Chair Gebhart supported Andrea's idea to form a group to strategize on this issue.

8. BOARD BUSINESS

a) REVIEW AND APPROVE MAY 2025 MONTHLY FINANCIAL STATEMENTS

MAY 2025 Financial Statement Summary

Enrollment:

Enrollment decreased by 1,426 members since April and has increased by 5,368 members overall since June 2024.

Net Income:

For the month ending May 31st, 2025, the Alliance reported a Net Income of \$1.4 million (versus budgeted Net Income of \$4.4 million). For the year-to-date, the Alliance recorded a Net Loss of \$91.0 million versus a budgeted Net Loss of \$68.0 million.

Premium Revenue:

For the month ending May 31st, 2025, actual Revenue was \$189.5 million vs. our budgeted amount of \$189.7 million.

Medical Expense:

Actual Medical Expenses for the month were \$181.0 million, vs. budgeted amount of \$174.6 million. For the year-to-date, actual Medical Expenses were \$2.0 billion vs. budgeted Medical Expense of \$1.9 billion.

Medical Loss Ratio:

Our MLR ratio for this month was reported as 95.5%. The year-to-date MLR was 100.6%.

Administrative Expense:

Actual YTD Administrative Expenses for the month ending May 31st, 2025, were \$104.4 million vs. our budgeted amount of \$110.2 million. Our Administrative Loss Ratio (ALR) is 4.7% of our Revenue for the month, and 5.4% of Net Revenue for year-to-date.

Other Income / (Expense):

As of May 31st, 2025, our YTD interest income from investments show a gain of \$29.9 million.

Managed Care Organization (MCO) Provider Tax:

For the month ending May 31st, 2025, we reported \$65.2 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of \$64.0 million. Our MCO Tax Expense was \$65.2 million vs. budgeted MCO Tax Expense of \$67.0 million.

Tangible Net Equity (TNE):

For May, the DMHC requires that we have \$80.9 million in TNE, and we reported \$164.4 million, leaving an excess of \$83.5 million. As a percentage we are at 203%, which remains above the minimum required.

Cash and Cash Equivalents:

We reported \$537.9 million in cash with \$385.6 million uncommitted. Our current ratio is above the minimum required at 1.13 compared to the regulatory minimum of 1.0.

Capital Investments:

- We have acquired \$859,000 in Capital Assets year-to-date. Our annual capital budget is \$2.0 million.

Question: Dr. Lynch inquired whether there are any projections regarding the policy changes for members.

Response: Mr. Riojas mentioned that the previous year's budget included a total decrease of 30,000 members. More details on the comparison between UIS and members with satisfactory immigration status might be shared in future meetings. The team is analyzing changes at the state and federal levels, with federal H.R. 1 passed and the state expected to respond, possibly making further adjustments for underfunding. They are working with current data, which could change as the state budget updates. More information will be shared with the board as it becomes available.

Motion: A motion was made by Dr. Rollington Ferguson and seconded by James Jackson to approve the May 2025 Monthly Financial Statements.

Vote: The motion was passed unanimously.

Ayes: Tosan Boyo, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Andie Martinez Patterson, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Andrea Schwab-Galindo, Natalie Williams, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

b) REVIEW AND APPROVE GRANT POLICY & PROCEDURE

Mr. Woodruff discussed the updated grant policy, which now mirrors the CEO's signing authority, requiring board approval for grants of \$1.5 million or more. Board members with a conflict of interest must recuse themselves from the discussion and vote.

Motion: A motion was made by Yeon Park and seconded by Dr. Marty Lynch to approve the Grant Policy & Procedure.

Vote: The motion was passed unanimously.

Ayes: Tosan Boyo, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Andie Martinez Patterson, Dr. Kelley Meade, Yeon Park, Wendy Peterson, Andrea Schwab-Galindo, Natalie Williams, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

c) MEDICARE UPDATE

Ms. Ruth Watson, Mr. Tome Meyers, and Ms. Jaini Goradia presented an update on Medicare.

- D-SNP CMS Application successfully submitted on February 12th, 2025.
 - CMS Plan Benefit Package (PBP) = H2035-001-000
- Model of Care score was 96.25%.
 - Approval for 3 years
- California Health Care Foundation (CHCF) Joint D-SNP planning occurred on February 28th, 2025.
- Provider & Community D-SNP Townhall occurred on April 23rd, 2025.
- CMS Medicare Advantage Bid successfully submitted on June 2nd, 2025.
 - CMS desk review & actuarial audit is underway.
- Medication Therapy Management (MTM) program was successfully submitted on June 4th, 2025.
- State Medicaid Agency Contract (SMAC) successfully submitted on July 7th, 2025.
- Some new supporting vendors include Health Risk Assessment (HRA), Sales Customer Relationship Management (CRM) Tool, and new branding/logo.

Question: Chair Gebhart asked whether the SMAC contract is negotiable or if it has already been finalized upon submission.

Response: Ms. Watson stated that the contract is non-negotiable and must be complied with. The submission outlines how compliance will be achieved. There is a period for health plan comments, and the state utilizes a basic template.

Question: Chair Gebhart asked a question regarding her understanding that Kaiser changed some of their benefits within the past year. She inquired about the reasons behind this change and whether it has any implications for the comparison process. Did they make these adjustments to influence the comparison process?

Response: Mr. Meyers mentioned that he can only speculate, but he believes that if Kaiser observes the Alameda Alliance for Health entering the market, they may choose to make their benefits less comprehensive in order to concentrate on different service areas. This would impact how rebates are allocated, as benefits need to be competitive and actuarially sound. The team is ready to adjust the benefits as necessary.

Question: Dr. Lynch mentioned that he understands Kaiser has no restrictions on enrolling dual-eligible individuals in the counties where they hold a state contract. Is it possible to discuss voluntary actions with them regarding their marketing practices, specifically to avoid targeting the Alliance's standard clientele for their dual's product?

Response: Mr. Woodruff stated that Kaiser still has permission to enroll any Medi-Cal beneficiary. For those who are dual eligible, it operates in an open market and can market to anyone within their service area. At present, Kaiser is not seeking significant growth in Alameda County.

Question: Dr. Ferguson inquired about the current status of network adequacy.

Response: Ms. Watson stated that the current status of the plan is at 35% completion regarding contracts for network adequacy. The objective is to achieve full adequacy by August 31st, aiming for forty-eight executed amendments each week. Additional support will include in-person visits,

phone outreach, and open office hours. The assistance of board members is encouraged and appreciated.

Question: Dr. Clanon inquired about the projection of 1,500 members by 2026 and whether that indicates a cap at that number. Where does this projection originate, considering there are already 40,000 people in-house?

Response: Mr. Meyers stated that the projection is based on an analysis by Milliman consultants for new plans with limited marketing. The estimate of 1,500 is considered conservative, and contingency plans are in place in case enrollment exceeds expectations. The emphasis is on ensuring quality before expanding.

Question: Mr. Jackson inquired whether it would be beneficial for the board to receive a projection of the expected growth over the next few years.

Response: The team requests a few months to get established before providing projections. They plan to start building projections in January.

Question: Dr. Ferguson inquired whether the team has assessed how the changes to the care program from July 3rd will affect the numbers.

Response: Mr. Meyers stated that an analytics request is being prepared to assess the impact, but no projections are available yet.

Question: Ms. Williams asked if the team could give a vague projection of how fast improvement in growth would be seen.

Response: Mr. Woodruff and Ms. Watson stated that once the initial members are enrolled and processes are established, the aim is to enroll as many of the 42,000 potential members as quickly as possible. The growth will depend on the quality of services and risk adjustment performance. Previous experiences, such as with Cal Optima, indicate that breaking even can take up to six years unless the star ratings are strong.

Question: Dr. Lynch inquired about the contracting process and the incentives for providers to improve star ratings.

Response: The team indicated they are working on a pilot pay-for-performance (P4P) program in partnership with analytics and quality teams to boost provider engagement in enhancing star ratings.

Question: Dr. Lynch asked what the plans are for getting providers up to speed on risk coding.

Response: The team announced a partnership with provider groups to offer training sessions, explore in-home assessments, and collaborate with OCHIN Epic for point-of-care coding support. A risk adjustment manager has been appointed to lead these initiatives.

Follow-Up: Ms. Watson and Mr. Meyers will send the list of providers that need to be contacted for network adequacy to the entire board and request their assistance with outreach.

Informational Item Only.

9. CLOSED SESSION

a) PUBLIC EMPLOYEE PERFORMANCE EVALUATION: CHIEF EXECUTIVE OFFICER (GOV. CODE SECTION 54957)

The Board reconvened into open session at 2:15 p.m.

10. READ OUT FROM CLOSED SESSION AND DISCUSSION

There were no reportable actions from Closed Session.

11. STAFF UPDATES

There were no staff updates.

12. UNFINISHED BUSINESS

None.

13. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS

None.

14. PUBLIC COMMENT (NON-AGENDA ITEMS)

There were no public comments for non-agenda items.

15. ADJOURNMENT

Chair Gebhart adjourned the meeting at 2:16 p.m.