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BOARD OF GOVERNORS
Regular Meeting Minutes
Friday, September 12th, 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), Aarondeep Basrai, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Andie Martinez Patterson, Dr. Kelley Meade, Jody Moore, Supervisor Lena Tam

Board of Governors Remote: Andrea Ford (Traditional Brown Act), Jody Moore (“Just Cause”)

Board of Governors Excused: Dr. Kelley Meade, Yeon Park, Natalie Williams

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 12:01 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

Two representatives from 24 Hour Home Care, Shawna Day and Lars Erickson, were introduced as guests and welcomed at the meeting.

5. CONSENT CALENDAR

- a) JULY 8th, 2025, FINANCE COMMITTEE MEETING MINUTES
- b) JULY 11th, 2025, COMPLIANCE ADVISORY COMMITTEE MEETING MINUTES
- c) JULY 11th, 2025, BOARD OF GOVERNORS MEETING MINUTES

- d) **AUGUST 22nd, 2025, JOINT EXECUTIVE & FINANCE COMMITTEE MEETING MINUTES**
- e) **REVIEW AND APPROVE RESOLUTION RE-APPOINTING DR. NOHA ABOELATA TO DESIGNATED BOARD OF GOVERNORS SEAT (ACCMA/SMMA PHYSICIAN)**
- f) **REVIEW AND APPROVE RESOLUTION RE-APPOINTING ANDREA SCHWAB-GALINDO TO DESIGNATED BOARD OF GOVERNORS SEAT (PRIVATE/PUBLIC COMMUNITY CLINIC-ALAMEDA HEALTH CONSORTIUM)**

Motion: A motion was made by Dr. Rollington Ferguson and seconded by Supervisor Lena Tam to approve the Consent Calendar.

Vote: The motion was passed unanimously.

Ayes: Aarondeep Basrai, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Andie Martinez Patterson, Jody Moore, Wendy Peterson, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

6. BOARD MEMBER REPORTS

a) COMPLIANCE ADVISORY COMMITTEE

Mr. Lopez reported on the Compliance Advisory Committee meeting, which was informational due to the lack of a quorum. He provided updates on various audits, including the 2023 DHCS and 2024 audits, the 2025 DMHC finance audit, and the 2025 HSAG network access validation audit. He also mentioned the review of the compliance dashboard, as well as the Medicare implementation readiness, enterprise risk management, and vendor management activities.

b) FINANCE COMMITTEE

Doctor Ferguson provided an update on the Finance Committee, highlighting positive trends in the plan's financials. He mentioned improvements in the MLR, net income, and current ratio. He also discussed the MCO tax and its potential impact on the plan.

c) CAC SELECTION COMMITTEE

Chair Gebhart reported on the Consumer Advisory Committee selection committee's work, including the approval of seven new members and the review of the committee's demographics. She also mentioned changes to the committee's charter to align with a new all-plan letter from DHCS and to address absences.

7. CEO UPDATE

CEO Matt Woodruff discussed ongoing regulatory challenges, anticipated membership losses, federal scrutiny of core benefits, and the need for legal and operational strategies to protect members, with active board engagement on these issues.

Regulatory Environment and Membership Loss: The organization anticipates losing about 30,000 members this fiscal year, with larger impacts expected in fiscal years 2027 and 2028 due to federal and state policy changes.

Core Benefits and Program Risks: Federal authorities are requiring states to focus on core benefits, with uncertainty about what qualifies; programs like housing, rental assistance, and community supports are at risk of losing funding.

Coordinated County Response: The CEO and board members are working to coordinate county-wide meetings and data sharing to develop legal and operational strategies for maintaining coverage and supporting affected populations.

Community Support for Disenrolled Members: Board members discussed the importance of organizing support networks for members losing coverage, with suggestions for community-based solutions and leveraging county resources.

Question: Ms. Moore asked if the federal government uses lists of undocumented people who receive services from organizations like the Alliance to find undocumented individuals.

Response: Mr. Woodruff confirmed that states are required to report Medicaid program participants to CMS, so it is likely that CMS already has this information.

Question: Chair Gebhardt asked for clarification about the financial segregation of services for members with unsatisfactory immigration status (UIS) versus satisfactory immigration status (SIS).?

Response: Mr. Woodruff and Mr. Riojas explained that the feds are concerned about mixing funds between these groups, and if commingling is found, there is a risk of funding recoupment. The specifics of how to segregate funds are still unclear.

Question: Dr. Clanon asked if services for recently incarcerated (justice-involved) people are at risk under federal directives.

Response: Mr. Riojas clarified that the justice-involved population under the 1115 waiver is one of the areas highlighted as a risk, and the state is advising plans to look at this. Risks include programs going away or the need to separate funding for undocumented members.

Question: Dr. Clanon asked what kind of guidance is expected from the state regarding risk and program continuation.

Response: Mr. Woodruff said the state is still working through the guidance and has asked all plans for ideas, including the possibility of the state assuming risk for certain programs.

Question: Ms. Ford asked if lawful permanent residents (LPRs) are affected by these changes and about the implications for eligibility and program outreach.

Response: Mr. Woodruff said there are several categories (undocumented, refugee, etc.), but the Alliance does not have detailed data on these subgroups; the plan will follow state guidance.

Question: Dr. Seevak asked if there has been an observed impact on utilization by undocumented or UIS patients.

Response: Mr. Woodruff noted that while there is anecdotal evidence of fear, the data does not show a significant drop in utilization in Alameda, though this may change.

Question: Chair Gebhart asked about the status of a work group to develop a plan to respond to federal changes.

Response: Mr. Woodruff described ongoing meetings among various county and alliance groups and the need for coordinated forecasting and planning, possibly led by the Alliance and Alameda County Health.

Comment: Supervisor Tam provided information on county efforts and funding to address safety net losses and suggested leveraging existing working groups rather than creating new ones.

8. BOARD BUSINESS

a) REVIEW AND APPROVE FINANCIAL STATEMENTS

- a. YEAR-END**
- b. JUNE CLOSE**
- c. JULY CLOSE**
- d. AUGUST PREVIEW**

JUNE 2025 Financial Statement Summary

Enrollment:

Enrollment increased by 2,025 members since May 2025.

Net Income:

For the month ended June 30th, 2025, the Alliance reported a Net Income of \$4.9 million (versus budgeted Net Income of \$2.7 million). For the year-to-date, the Alliance recorded a Net Loss of \$86.1 million versus a budgeted Net Loss of \$65.3 million.

Premium Revenue:

For the month ended June 30th, 2025, actual Revenue was \$189.2 million vs. our budgeted amount of \$189.1 million.

Medical Expense:

Actual Medical Expenses for the month were \$175.2 million, vs. budgeted amount of \$175.1 million. For the year-to-date, actual Medical Expenses were \$2.1 billion vs. budgeted Medical Expense of \$2.1 billion.

Medical Loss Ratio:

Our MLR ratio for this month was reported as 92.6%. The year-to-date MLR was 99.9%.

Administrative Expense:

Actual YTD Administrative Expenses for the month ending June 30th, 2025, were \$115.8 million vs. our budgeted amount of \$119.9 million. Our Administrative Loss Ratio (ALR) is 6.0% of our Revenue for the month, and 5.4% of Net Revenue for the year-to-date.

Other Income / (Expense):

As of June 30th, 2025, our YTD interest income from investments shows a gain of \$32.2 million.

Managed Care Organization (MCO) Provider Tax:

For the month ending June 30th, 2025, we reported \$66.9 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of \$64.0 million. Our MCO Tax Expense was \$66.9 million vs. budgeted MCO Tax Expense of \$67.0 million.

Tangible Net Equity (TNE):

For June, the DMHC requires that we have \$80.7 million in TNE, and we reported \$169.3 million, leaving an excess of \$88.6 million. As a percentage, we are at 210%, which remains above the minimum required.

Cash and Cash Equivalents:

We reported \$533.0 million in cash; \$380.6 million is uncommitted. Our current ratio is above the minimum required at 1.12 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.

JULY 2025 Financial Statement Summary

Enrollment:

Enrollment increased by 236 members since June 2025.

Net Income:

For the month ending July 31st, 2025, the Alliance reported a Net Income of \$1.7 million (versus budgeted Net Income of \$7.2 million).

Premium Revenue:

For the month ending July 31st, 2025, actual Revenue was \$192.1 million vs. our budgeted amount of \$187.2 million.

Medical Expense:

Actual Medical Expenses for the month were \$184.3 million, vs. budgeted amount of \$170.6 million.

Medical Loss Ratio:

Our MLR ratio for this month was reported as 96.0%.

Administrative Expense:

Actual YTD Administrative Expenses for the month ending July 31st, 2025, were \$8.9 million vs. our budgeted amount of \$11.4 million. Our Administrative Loss Ratio (ALR) is 4.6% of our Revenue for the month and for the year-to-date.

Other Income / (Expense):

As of July 31st, 2025, our YTD interest income from investments shows a gain of \$2.8 million.

Managed Care Organization (MCO) Provider Tax:

For the month ending July 31st, 2025, we reported \$65.5 million MCO Tax Revenue vs. budgeted MCO Tax Revenue of \$64.9 million. Our MCO Tax Expense was \$65.5 million vs. budgeted MCO Tax Expense of \$64.9 million.

Tangible Net Equity (TNE):

For July, the DMHC requires that we have \$81.2 million in TNE, and we reported \$171.0 million, leaving an excess of \$89.8 million. As a percentage, we are at 211%, which remains above the minimum required.

Cash and Cash Equivalents:

We reported \$530.3 million in cash; \$377.6 million is uncommitted. Our current ratio is above the minimum required at 1.15 compared to the 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: Dr. Seevak asked about the impact of the August enrollment decrease of 4,000 members on rates compared to the budget.

Answer: Mr. Riojas explained that while the decrease was higher than expected for the month, it aligns with the anticipated annual decline of 30,000 members, so revenue impacts are expected to be in line with the current budget.

Question: Dr. Seevak's asked about the reason for the increase in group care numbers and whether the payment for group care is a fixed annual amount.

Answer: Mr. Riojas clarified that the group care rate is negotiated with the county on a two-year cycle, and the goal is to break even, not make a profit. The actuaries are working on new proposed rates for the next cycle.

Motion: A motion was made by Dr. Rollington Ferguson and seconded by Dr. Evan Seevak to approve the June and July 2025 Monthly Financial Statements.

Vote: The motion was passed unanimously.

Ayes: Aarondeep Basrai, Dr. Kathleen Clanon, Dr. Rollington Ferguson, Andrea Ford, James Jackson, Byron Lopez, Dr. Marty Lynch, Andie Martinez Patterson, Jody Moore, Wendy Peterson, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

b) MEDICAL MANAGEMENT

Inpatient Interventions

- Ongoing
- Monthly Over/Under Utilization Workgroup– deep dives into ED, Pharmacy, Inpatient, Non-Utilizers
- Weekly Hospital partner rounds

- Transitional Care Services (TCS) w/CHWs; vendor: Journey Health- ABSMC/Eden Hospitals IP units; Upward Health – contracting in progress
- Fund CHCN's CTRN program (11 RN FTEs, 3.5 coordinator FTEs) @Alta Bates
- Targeted enrollment in ECM– MIF prioritization to ECM providers
- Inpatient RN on-site at Washington Hosp (Aug 2025)

Member Impact

- Decreasing LOS (5.8 April \diamond 5.2 June)
- Decreasing admits/1000 (48.8 April \diamond 46.2 June)
- Hosp days/1000 (290.0 April \diamond 237.9 June)
- Increase ECM enrollment by 4680 members since August 2024 (total enrollment =6144)
 - 18 providers; 36 provider sites

Long-Term Support Services Interventions

- On-going
 - LTC rounds (LTC/IP/ECM) – virtual
 - On-site visitation in LTC facilities
 - Quarterly rounds with RCEB
 - LTC liaison meets with facilities with claims issues
 - TCS after acute stay or transition to LTC
 - Sitter parameters

Emergency Department Interventions

- Ongoing
 - Member education campaign-increase Telehealth and Urgent Care utilization; New brochures to members
 - Community Health Workers (CHW) program; care coordination in EDs (Highland, Sutter, Eden)
 - QI navigators (2) f/u ED visits (AHS) for Mental Health (MH) or Substance Use Disorder (SUD)→warm transfer to Behavioral Health (BH) – Jan 2025
 - Monthly rounds with Kaiser ED/IP Teams for Alliance high utilizers of ED/IP – Feb 2025
 - Incentives to expand PCP hours of operation
 - QI Team meets monthly with direct and delegated providers to share access data – encourage incentive participation

CHW Program

- Community-based (12 CBOs)
 - Ex- re-entry, violence prevention, families, health ed ω
- Vendor contract (Journey Health)- ED/IP
- Pilot programs
 - Fatty liver/metabolic syndrome – disease management/lifestyle changes
 - Perinatal/maternal mental health- peer support

Pharmacy Interventions

- Ongoing
 - Formulary/Prior Authorization (PA) review
 - Process change: “pend not pay” for new medications not on PA (e.g., gene therapy)
 - Process change: “pend not pay” new J codes
 - New policy regarding self-injectables administered in office (June 2025)
 - TCS medication reconciliation @ Stanford, AHS, ABSMC, Washington hospitals

Member/Alliance Impact

- TCS: Med reconciliation. Screened 400+ members w/discharge dx of CHF or Sepsis at discharge→outreach to members
- Improved pharmacy pricing w/larger network (Optum)
- New PA process: prevented high cost meds from auto pay (prevented ~\$3.1M payment)
- Alliance no longer pays for drugs carved out to the State (cost saving)
- PA process helping to prevent FWA for self-administered medications (cost saving)

Question: Dr. Evan Seevak inquired about the population aged 65 and older, asking whether their absence from the top 5% of expenses is due to most being on Medicare, meaning the Alliance does not incur these costs.

Response: Dr. Carey confirmed that the Alliance currently does not bear these expenses, but this will change with the implementation of DSNP.

Comment: Mr. Jackson recommends displaying the goals alongside the results to compare progress effectively for future presentations.

Question: Dr. Ferguson asked why Washington Hospital was chosen for the inpatient nurse position instead of another facility with higher readmission rates.

Response: Dr. Carey explained that it was a combination of high patient volume and increased readmission rates.

Question: Dr. Ferguson inquired about the self-injectable medications and wanted to know which specific medications are included.

Response: Dr. Carey mentioned it was primarily a medication for rheumatology, but the specific name was not recalled.

Question: Dr. Seevak inquired about situations requiring a warm transfer to county behavioral health and the nature of that partnership.

Response: Dr. Carey stated that there is a partnership with the county, which involves monthly meetings; however, some data-sharing issues persist.

Question: Ms. Moore inquired about the behavioral support organizations that are met with monthly.

Response: Dr. Carey stated that the meetings are with the Alameda County Behavioral Health Department team, rather than specific entities.

Question: Mr. Jackson asked about the rise in avoidable emergency department visits at Children's Hospital. Is there any explanation for this?

Response: Dr. Carey stated that there is no clear explanation yet. They are investigating with UCSF partners but suspect access issues outside of normal hours.

Comment: Dr. Seevak and Chair Gebhardt suggested possibly a future presentation on the removal of GLP-1 coverage for non-diabetics and how that will impact the population.

Informational Item Only.

c) COMMUNITY SUPPORTS OPERATIONS UPDATE

Matt Woodruff presented a detailed report on community supports operations, focusing on provider audits, authorization and denial trends, and efforts to reduce denials through provider education and process improvements.

Provider Audits and Training: The organization is preparing to audit all community support programs, with provider training sessions scheduled to ensure understanding of audit criteria and processes.

Authorization and Denial Trends: Monthly authorization volumes and approval/denial rates were reviewed, with analysis of trends over the past year and identification of high-denial programs and service categories.

Denial Reasons and Appeals: Most denials are due to 'criteria not met,' often related to missing information; the appeals process includes internal and external reviews, with an overturn rate below 20%.

Process Improvement Initiatives: Efforts are underway to improve reporting, enhance provider education, and streamline referral and authorization processes, particularly for food-related services, to reduce unnecessary denials and administrative burden.

Federal Program Uncertainty: The future of certain community support programs depends on federal and state decisions regarding 1115 and 1915 waivers, with ongoing monitoring and advocacy to maintain services.

Question: Dr. Lynch inquired about the measures in place to assist programs with high denial rates in enhancing their data or information to decrease denials. Additionally, clarification was requested regarding how there could be zero denials and 3,600 approvals for the Healthcare Services Agency.

Response: Mr. Woodruff explained that the Alliance meets with all community support providers to review denials and provide information. For Healthcare Services Agency, most denials are administrative (e.g., missing information), not clinical, and the housing program is based on housing data, not clinical assessment.

Question: Dr. Clanon asked whether the Alliance receives a report from the state regarding the reasons for the reversal or upholding of Alliance decisions on appeals.

Response: Mr. Woodruff stated that there are two processes: provider appeals are reviewed by another physician at the Alliance, while state appeals are referred to an outside agency. The Alliance's overturn rate is below 20%, which is considered good.

Question: Dr. Clanon asked where the opportunities are for the system to learn from denials—are there misunderstandings about criteria or differences in assessment?

Response: Mr. Woodruff said that most outside overturns happen when the Alliance did not receive clinical documentation that was later provided to the outside reviewer. The Alliance is working to improve this process and communication with providers.

Question: Dr. Aboelata inquired whether high denial rates are concentrated in specific service categories, such as food or housing. Additionally, she asked about the responsibilities of a food

provider when a medical provider certifies that a patient meets the criteria for food support. Is it necessary for the food provider to verify this, and what documentation is required?

Answer: Mr. Woodruff stated that many denials occur in the food category. Although the criteria are clear, a disconnect may exist between referring providers and community support providers. The Alliance is exploring ways to provide more education and making process improvements. He also mentioned that the Alliance expects food providers to train their teams on the criteria and offer feedback on referring providers. Additionally, the plan may not always include all necessary data, such as lab results, so further discussion is needed to streamline the process.

Question: Dr. Ferguson asked how community services align with federal directives and what the future direction is.

Answer: Mr. Woodruff said services under the 1915 waiver are likely to be on solid ground, while those under the 1115 waiver are at risk. The goal is to move 1115 services into 1915 if possible.

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

Chair Gebhart adjourned the meeting at 1:59 p.m.