

**ALAMEDA ALLIANCE FOR HEALTH  
BOARD OF GOVERNORS  
REGULAR MEETING  
October 9, 2020  
12:00 PM – 2:00 PM  
(Video Conference Call)  
Alameda, CA**

**SUMMARY OF PROCEEDINGS**

**Board of Governors on Conference Call:** Dr. Evan Seevak (Chair), Rebecca Gebhart (Vice-Chair), Dr. Noha Aboelata, Aarondeep Basrai, Dr. Rollington Ferguson, Marty Lynch, Wilma Chan, Dr. Michael Marchiano, Dr. Kelley Meade, Natalie Williams  
**Alliance Staff Present:** Scott Coffin, Dr. Steve O'Brien, Gil Riojas, Tiffany Cheang, Sasi Karaiyan, Anastacia Swift, Jeanette Murray, Ruth Watson, Richard Golfin, Matt Woodruff  
**Board Members Excused:** Byron Lopez, Nicholas Peraino, David B. Vliet,  
**Board Members Unexcused:** Delvecchio Finley

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER</b>			
Dr. Seevak	The regular board meeting was called to order by Dr. Seevak at 12:00 PM.	None	None
<b>2. ROLL CALL</b>			
Dr. Seevak	A telephonic roll call was taken of the Board Members and a quorum was confirmed.	None	None
<b>3. AGENDA APPROVAL OR MODIFICATIONS</b>			
Dr. Seevak	Dr. Ferguson asked for a modification in the agenda to include a minute of silence for Feda Almaliti (Board Member) and her son, who passed away.  The Board of Governors and attendees observed a minute of silence.	None	
<b>4. INTRODUCTIONS</b>			
Dr. Seevak	Introductions of the Board Members, Staff, and Guests were completed.	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
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**5. CONSENT CALENDAR**

Dr. Seevak	<p>Dr. Seevak presented the Consent Calendar.</p> <p>a) September 11, 2020 Board Of Governors Meeting Minutes</p> <p>Motion to Approve October 9, 2020 Board Of Governors Consent Calendar.</p> <p>A vote by roll call was taken and the motion passed.</p>	<p><u>Motion to Approve</u> <u>October 9, 2020 Board</u> <u>Of Governors Consent</u> <u>Calendar.</u></p> <p><u>Motion:</u> R. Gebhart <u>Second:</u> Dr. Marchiano.</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	None
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**6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY COMMITTEE**

R. Gebhart	<p>The Compliance Advisory Committee was held telephonically on October 9, 2020, at 10:30 AM.</p> <p>Rebecca Gebhart updated the Board on the current Compliance Advisory workbook.</p> <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None
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**6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE**

Dr. Ferguson	<p>The Finance Committee was held telephonically on Tuesday, October 6, 2020.</p> <p>Dr. Ferguson updated the Board on the Finance Committee Meeting.</p> <p>Informational update to the Board of Governors.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None
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AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	Vote not required.		
<b>7. CEO UPDATE</b>			
S. Coffin	<p>Scott Coffin presented the following CEO updates.</p> <p>Operating Performance &amp; Metrics:</p> <ul style="list-style-type: none"> <li>• \$4.8 million net loss year-to-date (July, August)</li> <li>• Medi-Cal enrollment continues to increase, nearly 18,000 higher (March to October)</li> <li>• Medical loss ratio in August 97.2%; inpatient &amp; outpatient utilization trending upward</li> <li>• Member call center answering 64% of calls within 30 seconds, 16% below target; abandonment rate meeting performance goal</li> <li>• Overturn rate for provider disputes at 27%, 2% above target</li> <li>• Vacancy factor of 14%, 4% above target</li> <li>• Customer Service Week, October 5-9</li> </ul> <p>Public health emergency extended through January 31, 2021:</p> <ul style="list-style-type: none"> <li>• Federal authorities at Health &amp; Human Services approved the renewal of a determination that a public health crisis exists</li> <li>• Additional guidelines and authorizations are expected by County Officials regarding the continued suspension of the Medi-Cal redetermination process</li> </ul> <p>Medi-Cal Rate Development Update:</p> <ul style="list-style-type: none"> <li>• DHCS delivered the preliminary rates for Medi-Cal aid categories, first week in October</li> <li>• Rates are being analyzed and compared to the rate assumptions included in the preliminary budget approved by the Board of Governors in June 2020</li> <li>• DHCS rate adjustment process is forecasted to complete by January 2021</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> <li>• Q1-2021 budget forecast in November, and the Finance Committee approved to accept the Q1 forecast as the final budget for Fiscal Year 2021</li> </ul> <p>1115 Waiver Extension &amp; Whole Person Care:</p> <ul style="list-style-type: none"> <li>• Centers for Medicare &amp; Medicaid (CMS) has approved a 12-month extension, extending the 1115 Waiver funding through December 31, 2020</li> <li>• Federal comment period ends November 1, 2020</li> <li>• Whole Person Care pilot is included in the one-year extension, and the Alameda County program (AC3) will continue to operate through calendar year 2020 based on the defined funding allocations</li> </ul> <p>Pharmacy transition to DHCS on January 1, 2021:</p> <ul style="list-style-type: none"> <li>• Alliance’s project team is on schedule with DHCS 1/1/2021 go-live</li> <li>• Key milestones include data exchange between the DHCS and contracted pharmacy vendor (Magellan), member communications, and provider communications</li> <li>• Operational readiness phase completes by end of November, 30 days prior to go-live</li> </ul> <p>Alameda Health System (AHS):</p> <ul style="list-style-type: none"> <li>• 5-day union strike by SEIU and CNA, starts on October 7th</li> <li>• Impacts staffing at AHS’ acute care hospitals (Highland, San Leandro, Alameda), health clinics, and the psychiatric hospital (John George)</li> <li>• The labor strike results in a public health and safety concern, and maintaining access to health care for our Group Care and Medi-Cal members is a high priority</li> </ul> <p>Behavioral Health Integration (BHI) Pilot:</p> <ul style="list-style-type: none"> <li>• Funded by the California State General Funds, administered by DHCS to establish new linkages between primary care and mental health &amp; substance use services</li> <li>• Four projects approved in Alameda County: Lifelong (1), Tri-City Health Center (2), and Community Health Center Network (1)</li> <li>• BHI pilot starts on January 1, 2021, and continues for 2 years</li> <li>• DHCS to release guidance to awarded entities, and to define the role of the managed care health plan</li> <li>• <a href="https://www.dhcs.ca.gov/provgovpart/Pages/VBP_BHI_IncProApp.aspx">https://www.dhcs.ca.gov/provgovpart/Pages/VBP_BHI_IncProApp.aspx</a></li> </ul>		

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	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>		
<b>8. a. BOARD BUSINESS – REVIEW AND APPROVE MOSS ADAMS FISCAL YEAR 2020 AUDIT</b>			
<p>Chris Pritchard and Rianne Suico</p>	<p>Moss Adams representatives Chris Pritchard and Rianne Suico presented the Fiscal Year 2020 Audit:</p> <ul style="list-style-type: none"> <li>Moss Adams issued the Alliance an Unmodified Opinion, which is “Combined financial statements are presented fairly and in accordance with generally accepted accounting principles.” This is the highest level of assurance that can be issued from the audit firm.</li> </ul> <p>Question:</p> <ul style="list-style-type: none"> <li>Do Moss Adams auditors ever find irregularities in your audits of other Health Plans?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>From time to time, yes, the auditors do find irregularities. But with the Alliance, there were none and also no adjustments.</li> </ul> <p>Motion to approve the Moss Adams Fiscal Year 2020 Audit as presented.</p> <p>A vote by roll call was taken and the motion passed.</p>	<p><u>Motion to approve the Moss Adams Fiscal Year 2020 Audit as presented.</u></p> <p><u>Motion:</u> Dr. Ferguson <u>Second:</u> D. Meade</p> <p>Motion passed by roll call.</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	<p>None</p>
<b>8. b. BOARD BUSINESS – REVIEW AND APPROVE AUGUST 2020 MONTHLY FINANCIAL REPORT</b>			
<p>G. Riojas</p>	<p>Gil Riojas gave the following August Finance updates:</p> <p>Enrollment:</p>	<p><u>Motion to approve the August 2020 Monthly Financial Reports as presented.</u></p>	<p>None</p>

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> <li>For the month ending August 31, 2020, the Alliance had an enrollment of 264,058 members, a net loss of \$6.6M, and the tangible net equity is 606%.</li> <li>Our enrollment has increased by 4,140 members since July 2020.</li> </ul> <p>Net Income:</p> <ul style="list-style-type: none"> <li>For the month ending August 31, 2020, the actual net loss was \$6.6M, and the budgeted net loss was \$3.1M.</li> <li>The unfavorable variance is due to higher than anticipated medical expenses and lower than anticipated other income and expense.</li> </ul> <p>Revenue:</p> <ul style="list-style-type: none"> <li>For the month ending August 31, 2020, the actual revenue was \$82.9M vs. the budgeted revenue of \$80.2M.</li> </ul> <p>Medical Expense:</p> <ul style="list-style-type: none"> <li>For the month ending August 31, 2020, actual medical expenses were \$84.6M vs. our budgeted medical expense of \$76.5M.</li> </ul> <p>Medical Loss Ratio (MLR):</p> <ul style="list-style-type: none"> <li>For the month ending August 31, 2020, the MLR was 102.1% and the fiscal year-to-date of 97.2%.</li> </ul> <p>Administrative Expense:</p> <ul style="list-style-type: none"> <li>For the month ending August 31, 2020, actual administrative expenses were \$4.9M vs. budgeted administrative expense \$7.0M.</li> </ul> <p>Other Income / (Expense):</p> <ul style="list-style-type: none"> <li>As of August 31, 2020, our YTD interest income from investments is \$145,000, and YTD claims interest expense is \$62,000.</li> </ul> <p>Tangible Net Equity (TNE):</p> <ul style="list-style-type: none"> <li>Tangible net equity results continue to remain healthy, and at the end of August 31, 2020, the TNE was reported at 606% of the required amount.</li> </ul> <p>Cash Position and Assets:</p>	<p><u>Motion</u>: N. Williams <u>Second</u>: M. Lynch</p> <p>Motion passed by roll call.</p> <p><u>Vote</u>: Yes</p> <p>No opposed or abstained.</p>	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> <li>For the month ending August 31, 2020, \$262.3M reported in cash; \$55.1M is uncommitted cash. Our current ratio is above the minimum required at 1.59 compared to the regulatory minimum of 1.0.</li> </ul> <p>Question:</p> <ul style="list-style-type: none"> <li>Is there any trend with the volume of telephonic visits?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>Since March, there has been a large increase in the volume of telephonic visits. The Health Care Quality Department tracks this information.</li> </ul> <p>Question:</p> <ul style="list-style-type: none"> <li>What can the Alliance expect from the State regarding rates?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>The past rates were based on a Fiscal Year, but in 2021 they will be based on a calendar year. The final rates are to be received at the end of December and reported to the Board at that time. The State has discussed lowering our rates, but we will not know until they are received.</li> </ul> <p>Motion to approve the August 2020 Monthly Financial Report as presented.</p> <p>A vote by roll call was taken and the motion passed.</p>		
<b>8. c. BOARD BUSINESS – REVIEW AND APPROVE FISCAL YEAR 2021 REVISED BUDGET PROCESS</b>			
S. Coffin	<p>Scott Coffin presented the Fiscal Year 2021 Revised Budget Process:</p> <ul style="list-style-type: none"> <li>COVID-19 has caused delays in the DHCS State rate development this year, which could last possibly through January of next year. Due to the delay, I am recommending to the Board of Governors to use the 2021 First Quarter Forecast as the Final FY2021 Budget. The Alliance would like to adopt the First Quarter 2021 Forecast as the Final Budget for FY2021.</li> </ul>	<p><u>Motion to approve and adopt the First Quarter 2021 Forecast as the Final Budget for FY2021.</u></p> <p><u>Motion:</u> Dr. Ferguson</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<p>Motion to approve and adopt the First Quarter 2021 Forecast as the Final Budget for FY2021.</p> <p>A vote by roll call was taken and the motion passed.</p>	<p><u>Second:</u> R. Gebhart</p> <p>Motion passed by roll call.</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	
<b>9. a. STANDING COMMITTEE UPDATES – PEER REVIEW AND CREDENTIALING COMMITTEE</b>			
Dr. O'Brien	<p>The Peer Review and Credentialing Committee (PRCC) was held telephonically on September 15, 2020.</p> <p>Dr. O'Brien gave the following updates:</p> <ul style="list-style-type: none"> <li>• There were twenty-seven (27) initial providers approved; including three (3) Primary Care Providers, ten (10) specialists, four (4) ancillary providers, and ten (10) mid-level providers</li> <li>• Additionally, thirty-five (35) providers were re-credentialed at this meeting; thirteen (13) primary care providers, fifteen (15) specialists, two (2) ancillary providers, and five (5) mid-level providers.</li> </ul> <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None
<b>9. b. STANDING COMMITTEE UPDATES – HEALTH CARE QUALITY COMMITTEE</b>			
Dr. O'Brien	<p>The Health Care Quality Committee (HCQC) was held telephonically on September 17, 2020.</p> <p>Committee Medical Updates:</p> <ul style="list-style-type: none"> <li>• Alliance Delegates and Updates</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None



AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> <li>• Quality Management, Utilization Management, and Case Management Policy &amp; Procedure discussion and approval</li> <li>• Beacon Health Options summary presentation of the Quality Management Program Description, Work Plan, and the 2019 Annual Program Evaluation</li> <li>• The Alameda County Behavioral Health presentation by CMO and Committee member Dr. A. Chapman – Overview of Behavioral Health System Integration, and COVID-19 Impact</li> </ul> <p>Grievance &amp; Appeals:</p> <ul style="list-style-type: none"> <li>• Higher rates of grievances due to: <ul style="list-style-type: none"> <li>○ Member Services handoff</li> <li>○ IHSS members having difficulty with co-pays</li> </ul> </li> <li>• Patient Needs Assessment (PNA) Report</li> <li>• Quality Improvement Work Plan Activities Update</li> <li>• Introduction of the Alliance New Case Management Medical Director Donna Carey</li> </ul> <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>		
<b>9. c. STANDING COMMITTEE UPDATES – PHARMACY AND THERAPEUTICS COMMITTEE</b>			
Dr. O'Brien	<p>The Pharmacy and Therapeutics Committee (P&amp;T) was held telephonically on September 15, 2020.</p> <p>Committee Medical Updates:</p> <ul style="list-style-type: none"> <li>• The P&amp;T Committee reviewed the efficacy, safety, cost, and utilization profiles of thirty (30) therapeutic categories and drug monographs at the September 15, 2020 meeting:</li> <li>• The P&amp;T Committee approved thirteen (13) modifications to the formulary for the Alliance's Medi-Cal and Alliance Group Care programs.</li> <li>• The P&amp;T Committee reviewed twenty (20) PA guidelines and revised fourteen (14) of them, while six (6) PA guidelines had no change.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> <li>• Pharmacy Transition (State Carve-in) is on target for 1/1/2021               <ul style="list-style-type: none"> <li>○ Data exchange</li> <li>○ Member &amp; provider communication</li> <li>○ Operational readiness</li> </ul> </li> </ul> <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>		
<b>9. d. STANDING COMMITTEE UPDATES – CONSUMER ADVISORY COMMITTEE</b>			
S. Coffin	<p>The Consumer Advisory Committee (MAC) was held telephonically on September 17, 2020.</p> <ul style="list-style-type: none"> <li>• Scott Coffin presented to the Committee Members, and was joined by the COO, CFO, and CMO to report on enrollment, pharmacy transition to DHCS, and financial performance, and “How the Public Health Crisis Effects Utilization.”</li> <li>• Dr. Bhatt updated the MAC on COVID-19 Myths and Facts.</li> <li>• Jennifer Karmelich reported on Grievance and Appeals.</li> <li>• Michelle Lewis updated on Communications and Outreach.</li> <li>• The Committee reviewed the Alliance 2020 Population Needs assessment.</li> </ul> <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None
<b>10. STAFF UPDATES</b>			
S. Coffin	None	None	None
<b>11. UNFINISHED BUSINESS</b>			
S. Coffin	None	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS</b>			
Dr. Seevak	Information on investments	None	None
<b>13. PUBLIC COMMENTS (NON-AGENDA ITEMS)</b>			
Dr. Seevak	None	None	None
<b>14. CLOSED SESSION</b>			
Dr. Seevak	<p>Dr. Seevak announced a Closed Session.</p> <p>All Guests left the meeting. The Board of Governors, The Alliance Senior Leadership, Dr. Bhatti, and Scott Coffin stayed for the closed session.</p> <ul style="list-style-type: none"> <li>• Public Employee Performance Evaluation (Pursuant To Government Code Section 54957). Title: Chief Executive Officer.</li> <li>• Conference with Labor Negotiators (Pursuant To Government Code Section 54957.6). Agency Negotiators: Dr. Evan Seevak, Chair; Rebecca Gebhart, Vice-Chair; Dr. Rollington Ferguson, Finance Committee Chair; David B. Vliet, Board Member; Marty Lynch, Board Member; Unrepresented Employee: Chief Executive Officer.</li> </ul>	None	None
<b>14. ADJOURNMENT</b>			
Dr. Seevak	Dr. Seevak adjourned the meeting at 2:13 PM.	None	None

Respectfully Submitted By: Jeanette Murray  
Executive Assistant to the Chief Executive Officer and Clerk of the Board