ALAMEDA ALLIANCE FOR HEALTH
FINANCE COMMITTEE
REGULAR MEETING

May 11, 2021
8:00 am – 9:00 am

SUMMARY OF PROCEEDINGS

Meeting Conducted by Teleconference

Committee Members on Conference Call: Dr. Rollington Ferguson, Dr. Michael Marchiano, Nick Peraino, Gil Riojas

Alliance Staff and other Board of Governor members on Conference Call: Scott Coffin, Matt Woodruff, Dr. Steve O'Brien, Anastacia Swift, Tiffany Cheang, Richard Golfin III, Carol vanOosterwijk, Ruth Watson, Shulin Lin, Christine Corpus

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
CALL TO ORDER and INTRODUCTIONS			
Dr. Rollington Ferguson	Dr. Ferguson called the Finance Committee meeting to order at 8:02 am and Roll call was conducted.		
CONSENT CALENDAR			
Dr. Rollington Ferguson	Dr. Ferguson presented the Consent Calendar. April 6, 2021, Finance Committee Minutes were approved at the Board of Governors meeting April 9, 2021 and not presented today. There were no modifications to the Consent Calendar.	Motion to accept **Consent Calendar** Motion: N. Peraino Seconded: G. Riojas Pass by Consent	
a.) CEO Update			
Scott Coffin	S. Coffin gave updates to the committee on the following: **Anniversary** – Alameda Alliance formed in 1996 and recognizes 25 years of service to Alameda County residents. **Fiscal Year 2022 Budget** – Budget planning for Fiscal Year 2022 began in February, and the Preliminary FY2022 budget is on schedule to be presented	Informational update to the Finance Committee Vote not required	

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	to the Board of Governors during the first week in June. The final budget will be presented in December 2021 following the delivery of preliminary Medi-Cal rates from DHCS.
	
	CalAIM – CalAIM is a standing agenda item on the agenda for the Finance Committee and Board Meeting, and each month a discussion will be facilitated to update the Board Members and Committee Members. In the month of May, the CalAIM services that are transitioning on 1/1/2022 will be presented for discussion to the full Board, and in June the financial implications of these services will be presented that forecasts the expenditures in FY2022.
	• Whole Person Care & Health Homes programs end on December 31, 2021
	• Enhanced Care Management benefits, In Lieu Of Services, and Major Organ Transplant benefits begin January 1, 2022
	    o Model of Care and Transition Plan is due by July 2021
	    o Provider network submissions is due by September 2021
	    o Whole Person Care (AC3) & Health Homes programs end 12/31/2021
	• Community Listening Sessions started in the month of May with safety-net partners to inventory services
	
	COVID-19 Vaccinations – Alameda Alliance for Health is coordinating with the Alameda County Health Care Services Agency (HCSA) and local safety-net providers to outreach to Medi-Cal and Group Care members about vaccination resources. Approximately 37% of eligible members are partially or fully vaccinated, as compared to statewide average of 49.1% who have received at least one dose.
	
	Our first phase of communication consisted of 22,000 mailings and phone calls to “high-risk” members followed by “low to medium risk” members in Medi-Cal and Group Care. By the end of May 2021, a second round of mailings are being sent to approximately 131,000 members to encourage seeking the vaccine, and to supply a list of vaccination sites in Alameda County.
	
	Question: Dr. Marchiano asked how we collected the data giving vaccination status of our members. T.Cheang answered that the majority of our data comes from the CAIR (California Immunization Registry) system.		

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	<u>HEDIS Measurement Year(MY) 2021</u> – Approximately 91% of the 3,960 medical records have been retrieved and identified with a disposition. Collection of medical records ended May 7, 2021 and the audited records will be submitted to NCQA on schedule by June 15. For Measurement Year 2020, there are a total of 33 MCAS measures, and 19 of these measures are held to a minimum performance level; it is estimated that 37% of the measures are below the minimum performance level. Our forecast is to complete measurement year 2020 with AQFS score between 50%-60%. Additionally, DHCS announced the penalties and sanctions are being waived for measurement year 2020; penalties and sanctions will be reinstated for measurement year 2021.		
b.) Review March 2021 Monthly Financial Statements			
Gil Riojas	**<u>March 2021 Financial Statement Summary</u>** **Enrollment:** Current enrollment is 281,637 and continues to trend upward, total enrollment has increased by 1,802 members from February 2021, and 24,892 members since June 2020. As in previous months, increases are primarily in the Child, Adult, and Optional Expansion categories of aid. While membership continues to increase, we now see the continued decline in the rate of increase month over month. This change in the rate of increase will affect our forecast for the rest of this year, and the budget process into next fiscal year. In addition, we do expect to see further decreases in the rate of enrollment once the public health state of emergency is ended. **Discussion** – The scale of the graph displaying the net growth month over month is being separated into two graphs to improve the visual representation of membership versus new enrollment by month. *Action item.* **Net Income:** For the month ending March 31, 2021, the Alliance reported a Net Loss of $546,000 (versus budgeted Net Income of 443,000). For the year-to-date, the Alliance recorded a Net Loss of $10.6 million versus a budgeted Net Loss of $20.2 million. Factors creating the unfavorable variance were higher than anticipated Medical Expense, lower than anticipated Revenue, and lower than	***Display data in two graphs, one showing Total Medi-Cal Enrollment and the second showing Net Change in Enrollment.***	

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	anticipated Other Revenue, which was offset somewhat by lower than anticipated Administrative Expenses. **Revenue:** For the month ending March 31, 2021, actual Revenue was $93.9 million vs. our budgeted amount of $94.3 million. The unfavorable variance can be attributed to timing and lower paid membership. **Medical Expense:** Actual Medical Expenses for the month were very close to target at $89.5 million vs. our budgeted amount of $86.2 million. For the year-to-date, actual Medical Expenses were $759.7 million versus budgeted $753.7 million. Drivers leading to the unfavorable variance can be seen on the tables on pages 10 and 11, with the explanation on pages 11 and 12. **Medical Loss Ratio:** Our MLR ratio for this month was reported at 95.4%. Year-to-date MLR was at 95.8% vs our annual budgeted percentage 94.2%. **Administrative Expense:** Actual Administrative Expenses for the month ending March 31, 2021 were $4.9 million vs. our budgeted amount of $7.6 million. We are also below budget for year-to-date at $44.0 million vs. budgeted $56.1 million. Our Administrative Expense represents 5.2% of our Revenue for the month, and 5.5% of Net Revenue for year-to-date. The reasons for the favorable variance are listed on page 13 of the presentation and remain consistent with prior periods. **Other Income / (Expense):** As of March 31, 2021, our YTD interest income from investments was $512,000. We continue to discuss strategy with our investment manager to see if there is a way to increase our return. YTD claims interest expense is $271,000. **Question:** Dr. Marchiano asked what the greatest factors were regarding the continued favorable variance. G.Riojas answered that the single greatest influencing factor is the discontinuence of the Sustainability Fund, with the second largest being the delay of Purchased Services and Consultants.		

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	Question: Dr. Ferguson asked if could foresee reducing our interest expense to under $100,000 annually. M.Woodruff answered that our current reduced target is $30,000 per month or $360,000 annually and that it is unlikely that we would be able to further reduce that to roughly $8,000 per month. He further explained that in the process of polling other plans about their experience, we discovered they are paying similar amounts, if not more annually. **TangibleNet Equity (TNE):** We reported a TNE of 564%, with an excess of $160.9 million. This remains a healthy number in terms of our reserves. **Cash and Cash Equivalents:** We reported $338.3 million in cash; $193.0 million is uncommitted. Our current ratio is above the minimum required at 1.36 compared to regulatory minimum of 1.0. **Capital Investments:** We have spent $657,000 in Capital Investments, and our budget for the year is $2.4 million.	Motion to accept **March 2021, Financial Statements** Motion: N. Peraino Seconded: Dr. Marchiano All in Favor – pass No opposed or abstained	
Dr. Rollington Ferguson	Dr. Ferguson motioned to adjourn the meeting. The meeting adjourned at 8:41 am.	Motion to adjourn: Dr. Ferguson Seconded: Dr. Marchiano No opposed or abstained.	

Respectfully Submitted By:
Christine E. Corpus, Executive Assistant to CFO