

**ALAMEDA ALLIANCE FOR HEALTH  
BOARD OF GOVERNORS  
Regular Meeting Minutes  
May 12<sup>th</sup>, 2023  
12:00 pm – 2:00 pm  
Video Conference Call  
and  
1240 S. Loop Road  
Alameda, CA 94502**

**SUMMARY OF PROCEEDINGS**

**Board of Governors Attendance:** Dr. Noha Aboelata (Vice-Chair), Byron Lopez, Dr. Marty Lynch, Dr. Dr. Kelley Meade, Andrea Schwab-Galindo, Dr. Evan Seevak, Supervisor Lena Tam, Dr. Rollington Ferguson

**Excused:** Natalie Williams, Rebecca Gebhart (Chair), Aaron Basrai, James Jackson, Dr. Michael Marchiano

**Remote Attendance - AB 2449 "Just Cause":** Jody Moore, Yeon Park

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER</b>			
Dr. N. Aboelata	<p>The following public announcement was read:</p> <p>"The Alameda Alliance for Health is making every effort to follow the spirit and intent of the Brown Act and other applicable laws regulating the conduct of public meetings to maximize transparency and public access. During each agenda item, you will be provided with a reasonable amount of time to provide public comment. The Board of governors would appreciate, however, if communications and public comment related to items on the agenda or items not on the agenda are provided prior to the commencement of the meeting. During each agenda item, the audience will be provided a reasonable amount of time to provide public comments."</p>	None	None
<b>2. ROLL CALL</b>			
Dr. N. Aboelata	Members of the Board are called to order, a quorum is confirmed.	None	None
<b>3. AGENDA APPROVAL OR MODIFICATIONS</b>			
Dr. N. Aboelata	None	None	None
<b>4. INTRODUCTIONS</b>			
Dr. N. Aboelata	Matthew Woodruff introduced Shatae Jones, Director of Housing & Community Services Program	None	None
<b>5. CONSENT CALENDAR</b>			
Dr. N. Aboelata	<p>a) APRIL 14<sup>th</sup>, 2023, BOARD OF GOVERNORS MEETING MINUTES</p> <p>b) APRIL 14<sup>th</sup>, 2023, COMPLIANCE ADVISORY COMMITTEE MEETING MINUTES</p> <p>c) MAY 9<sup>th</sup>, 2023, FINANCE COMMITTEE MEETING MINUTES</p>	<p><b><u>Motion to Approve Consent Calendar</u></b></p> <p><u>Motion:</u> Dr. Seevak</p> <p><u>Seconded:</u> Byron Lopez</p> <p><u>Vote Taken:</u> Yes</p> <p><u>Motion:</u> <b>PASSED</b></p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>6. BOARD MEMBER REPORTS</b>			
Dr. K. Meade	<p><b>a) COMPLIANCE ADVISORY COMMITTEE</b></p> <p><u>2023 DHCS Audit Observations Categories:</u></p> <ul style="list-style-type: none"> <li>• Category One: Utilization Management had a potential finding under NOAs or a delegate. The glitch affected 400 members who did not receive notification during the audit period. A corrective action plan will be issued to the delegate.</li> <li>• Category Two: Involved getting Case Management and Health Assessments completed and contacting key personnel. There is also a problem with category two, which relates to the behavioral health treatment plans, which did not meet all the criteria or elements. However, this is not related to our new behavioral health business. This is from the look-back period of 2022.</li> <li>• Category Three: Relates to Access and Availability, as discussed previously regarding PC forms, which are required during ambulance transportation. We know that the Plan is in the process of completing the forms on the back end, and members are provided with rights regarding those forms, so some findings may be found here.</li> <li>• Category Four was on grievances, and appeals were all the notifications. Grievance letters were not sent out within a 30-day window+, which might result in a finding.</li> <li>• Category Five: Relates to Fraud, Waste, &amp; Abuse (FWA) and consists of getting everything in within the 10-day period following receipt, which could result in a repeat finding.</li> </ul> <p><u>New Legislation:</u></p> <ul style="list-style-type: none"> <li>• The legal team and the Plan are looking at those items; we are planning to review them this summer and make a recommendation to the Board and how to interpret new legislation around the Board and committee attendance.</li> </ul> <p><b>Question:</b> <i>Are there any indication of whether the administration supports this legislation?</i></p> <p><b>Answer:</b> <i>At this point, the legislation is supported by several members of the legislature, but it is being met with a lot of pushback from advocacy groups etc., because they want to be able to walk in and watch their city councils at work.</i></p>	None	None
Dr. R. Ferguson	<p><b>b) FINANCE COMMITTEE</b></p> <ul style="list-style-type: none"> <li>• The Plan continues to perform exceptionally well in terms of its financial aspects. Membership has not decreased as anticipated; the number of members is approximately 355,000 at present. With a net income of ten-point-seven million dollars (\$10.7M), we did better than expected, and it has continued to trend positively.</li> <li>• Last Tuesday, Finance Committee members elected and voted to meet every other month rather than monthly except for emergencies. There will still be monthly reports, and the finance committee will meet on urgent matters as decided by the CEO, which will remain in place.</li> </ul> <p><b>Question:</b> <i>What will happen with the reports to the Board and the full Board monthly? Are we able to go to the full Board and approve financial reports every month?</i></p> <p><b>Answer:</b> <i>We continue to get financial reports monthly or every other month. The format for that should be the same. But again, Gil will send out a report at least in the fall, and everybody will still be able to review it.</i></p>		

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<b>7. CEO UPDATE</b>			
Scott Coffin	<p>Scott Coffin, Chief Executive Officer, presented the following updates:</p> <p>"We achieved a net income of \$300 million over those eight years. I concur. It is an incredible accomplishment. We set a new standard in the state of California, Alameda County. This organization has been recognized at the state level for its outstanding performance as a managed care organization, not simply as a health plan."</p> <p><u>Highlights:</u></p> <ul style="list-style-type: none"> <li>Revenues increased from seven-hundred million (\$700M) to one-hundred-billion-point-seven (\$1.7B), representing an increase of one billion (\$1.0B) in annual revenues (\$700M to \$1.7B).</li> <li>An aggregate net income of three-hundred million dollars (\$300M) was reported in six out of eight years.</li> <li>Matt Woodruff has been appointed as the next Chief Executive Officer by the Board.</li> </ul>	None	None
<b>8. BOARD BUSINESS</b>			
Gil Riojas	<p><b>a) REVIEW AND APPROVE MARCH 2023 MONTHLY FINANCIAL STATEMENTS</b></p> <ul style="list-style-type: none"> <li>For the month of March, we reported a net income of ten-point-seven million dollars (\$10.7B), and our tangible net equity reserve increased to 747% of what was required.</li> </ul> <p><b>Question:</b> <i>The long-term carrier explains the variance in budget to actuals expenses, but what is the ancillary expense?</i></p> <p><b>Answer:</b> <i>Those were actually unit costs, and part of that was associated with long-term care. Ancillary services were part of the long-term care budget and were supposed to begin in January, but they began in February instead.</i></p> <p><b>Question:</b> <i>What is the impact of April tax submissions? What's the timeline for rates?</i></p> <p><b>Answer:</b> <i>There was a delay in tax submissions, so people will have until October to file their taxes, which could further exacerbate the deficit. So, there is a lot of uncertainty right now regarding revenue.</i></p> <p><b><u>Enrollment</u></b></p> <ul style="list-style-type: none"> <li>We also reported a growth in membership and now stand at 355,000 members, an increase of approximately 2900 members over the previous month.</li> <li>The Group Care line has shown a decrease slightly over the last few years. However, we have averaged anywhere from 5800 to 6000 members. We recently added our Long-Term Care line, so we also now have our long-term care and their long-term care dual members, and this shows a slight increase from the previous year.</li> </ul> <p><b><u>Net Income</u></b></p> <ul style="list-style-type: none"> <li>For the month ended March 31<sup>st</sup>, 2023: Actual Net Income: \$10.7 million vs. Budgeted Net Loss: \$1.6 million.</li> <li>For the fiscal YTD ended March 31<sup>st</sup>, 2023: Actual Net Income: \$65.3 million vs Budgeted Net Loss: \$19.8. million.</li> <li>This variance is primarily due to medical expenses, but there is also some variability tied to interest income and investment earnings, as well as slightly lower administrative costs than we expected.</li> </ul>	<p><b><u>Motion To Approve March 2023 Monthly Financial Statements:</u></b></p> <p><u>Motion:</u> Dr Ferguson, <u>Second:</u> Dr Seevak. <u>Vote Taken:</u> Yes <u>Motion:</u> <b>PASSED</b></p>	

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	<p><b><u>Revenue</u></b></p> <ul style="list-style-type: none"> <li>We are increasing revenue significantly. With the addition of tools and long-term care, we reached \$1 billion in revenue for the month, which is \$138.2 million. So, we still have a few months left in this fiscal year. Therefore, they will surpass the \$1 billion mark by the end of the fiscal year.</li> </ul> <p><b><u>Medical Expense</u></b></p> <ul style="list-style-type: none"> <li>For the month ended March 31<sup>st</sup>, 2023: Actual Medical Expense: \$123.8 million vs Budgeted Medical Expense: \$131.1 million.</li> <li>For the fiscal YTD ended March 31<sup>st</sup>, 2023: Actual Medical Expense: \$913.0 million. vs Budgeted Medical Expense: \$963.1 million.</li> <li>As of September 30<sup>th</sup>, the year-to-date medical expense variance has been \$52.6 million positive, which illustrates that the biggest areas of favorability are related to our inpatient hospital, our long-term care fee for service and our ancillary fee for service.</li> </ul> <p><b><u>Medical Loss Ratio (MLR)</u></b></p> <ul style="list-style-type: none"> <li>The Medical Loss Ratio (total reported medical expense divided by operating revenue) was 89.6% for the month and 89.4% for the fiscal year-to-date.</li> </ul> <p><b><u>Administrative Expenses</u></b></p> <ul style="list-style-type: none"> <li>In March, we spent about \$5.9 million, and our administrative expenses were lower than what we had budgeted for the month, as well as on a year-to-date basis.</li> <li>During the month, our favorability in terms of variance was about \$2 million, year-to-date. For us, our investment income has grown beyond what we've experienced in previous years because it includes other income besides revenue and expenses.</li> <li>We experienced significant increases in our investment income in March, reaching about \$2.2 million. This was followed by a \$250,000 increase in our claims interest expense, which was the highest for the year.</li> </ul> <p><b><u>Other Income / (Expense)</u></b></p> <ul style="list-style-type: none"> <li>The investment income we received in March was significantly higher than the interest we paid on our claims in the previous year, reaching about \$2.2 million.</li> <li>This increase in interest expense was followed by the \$250,000 increase in income from our claims, which were the highest for the year. We have found that as we increase our net income, our reserves increase and we are now sitting at \$296 million, which is the highest we have ever seen.</li> <li>Accordingly, the Department of Managed Health Care requires a minimum of \$40 million, thereby exceeding the requirement by \$256 million or 747%.</li> </ul> <p><b><u>Cash &amp; Cash Equivalents</u></b></p> <ul style="list-style-type: none"> <li>There are \$634 million in assets, \$294 million of which is uncommitted. Our current ratio is 1.48, while the regulatory minimum is 1.0.</li> </ul> <p><b><u>Capital Investments</u></b></p> <ul style="list-style-type: none"> <li>Our budget target was \$1,000,000, so based on what we have spent so far, we won't hit what our budget target was for capital investments, but it will increase over the next few months. Right now, we have spent \$225,000 in budget.</li> </ul>		
Dr. Currie and	<b>b) MENTAL HEALTH INSOURCING UPDATE</b>	None	None

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Laura Grossmann-Hicks.	<ul style="list-style-type: none"> <li>Members will receive their notification letters, and we will be using the same behavioral health 1-800-number, so there is no change to the members ID card.</li> <li>Over nine hundred (900) providers have been contracted and credentialed. Letters of agreement have been sent to those who didn't want to contact, as well as notifications and town halls prior to the launch to ensure that providers are aware of the changes.</li> <li>We developed policies, procedures and workflows, updated training for members, providers, healthcare providers, and IT systems changes, and then developed a close partnership with external partners.</li> <li>With the No Wrong Door APL, members now have direct access to services. We are continuing to tune what we do and making improvements. They can go to our provider directory and select a provider, schedule an appointment, and have that appointment covered by us.</li> <li>Additionally, member services staff provide intake screenings and referrals to members seeking routine mental health services who call. In addition to the referral forms available on our Web site for mental health and autism services, PCPs also provide input into those referral forms. Pediatricians participated in the special needs committee to shape those referral forms.</li> <li>All Beacon authorizations were honored, there were no authorizations/no limitations on mental health therapy, and all regulatory requirements were met.</li> <li>After just six weeks, we are in the process of stabilizing and monitoring the operation for the next 90 to 120 days following the lift and shift.</li> </ul> <p><b>Question:</b> <i>There were some behavioral health providers not yet covered by our new contract. Has it progressed and is there still a gap?</i></p> <p><b>Answer:</b> <i>Many of the providers previously contracted with Beacon are now contracted. That's a huge accomplishment, but some are in letters of agreement. I don't know the exact number.</i></p> <p><b>Question:</b> <i>How do we proactively contact those members if the provider is not going to contract or do a letter of agreement?</i></p> <p><b>Answer:</b> <i>We ensure that those Members are linked to an in-network provider and receive what they need to continue in that space.</i></p> <p><b>Question:</b> <i>In regard to complex populations, as people come in and can refer themselves, if someone dual refers themselves Medicare will be primary, and they can still use the old Alliance Network and go straight to that network for mental health services. Do you push them back to Medicare?</i></p> <p><b>Answer:</b> <i>Our responsibility remains mild to moderate cases. With the no wrong door APL, Members are able to get treatment simultaneously across both networks. Whenever there is a service they can receive in the county, but they also need individual therapy, that can happen concurrently now.</i></p>		
Gil Riojas	<p><b>c) ENROLLMENT FORECAST (MEDI-CAL AND GROUP CARE)</b></p> <ul style="list-style-type: none"> <li>By 2024, DHCS plans to transfer 99% of its Fee-for-Service members to Medi-Cal Managed Care. Approximately 40,000 members are still enrolled in the current fee-for-service system.</li> <li>As of July 2023, Medi-Cal disenrollments will begin on the anniversary date of the member, effective over a period of 12 months. The initial estimate is approximately 6,000 members per month. Duals and long-term care members will not be affected substantially.</li> <li>The Alliance will receive approximately 80,100 Anthem members in January 2024, which will be distributed among its direct and delegated provider networks.</li> </ul>	None	None

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	<ul style="list-style-type: none"> <li>Kaiser Permanente's Medi-Cal contract with DHCS begins in January 2024, which will reduce the Alliance's enrollment by approximately 43,400 members. The existing membership will be fully reassigned to Kaiser Permanente.</li> <li>By January 2024, approximately 16,300 adult Health PAC members (ages 26-49) will be moved into Medi-Cal managed care.</li> <li>It is estimated that the Alliance's enrollment will peak at 382,500 in January 2024 and will decline to 355,300 at the end of June 2024.</li> <li>Group Care remains unchanged, with enrollment ranging from 5,700 to 5,900.</li> </ul> <p><b>Question:</b> Can we assume that many people will get retroactively enrolled or reenrolled at their next appointment or something when they are currently not enrolled?</p> <p><b>Answer:</b> Yes, that is what we plan to do. Currently, we are working with the County Council on a data sharing agreement. Hopefully, we will be able to complete that very soon, and then we plan to distribute it to all our providers. Thus, everyone will have a clear understanding of which patients they see in the coming month.</p>		
Matthew Woodruff	<p><b>d) CONTINUOUS COVERAGE INITIATIVE</b></p> <ul style="list-style-type: none"> <li>We have begun providing member outreach with the help of call center scripts, automated calls, and resource flyers. Our remaining marketing activities will include billboards, radio, and local television, which will commence in June.</li> <li>When a member meets the MAGI (Modified Adjusted Gross Income) requirement, their membership automatically renews. Through CalWIN, social services agents can verify member information electronically, with an estimation of 36% of members renewing automatically.</li> <li>This does, however, mean that 64% of the results will require manual redetermination. As of today, the redetermination process for the month of July has been started.</li> </ul> <p><b>Question:</b> Is there any reason why we cannot continue to text our patients or members for outreach purposes?</p> <p><b>Answer:</b> To continue using nonverbal auto dialers, we must meet the criteria. We also need to be indemnified against federal charges that may be incurred by the Plan. This is a three-step process for text messages.</p>	None	None
Scott Coffin and Matt Woodruff	<p><b>e) CEO TRANSITION UPDATE</b></p> <ul style="list-style-type: none"> <li>In the past 60 days, we have had the luxury of mapping out all the job responsibilities, the relationships, and the day-to-day transactions, trying to limit surprises.</li> <li>Throughout Alameda County, we have attended many meetings and have spent a significant amount of time interacting with elected officials and community-based organizations on a daily basis. We have put a great deal of time and effort into building relationships not only with Alameda County regulators but also with Sacramento.</li> <li>A pivot point right now is the work that has been done on Medicare operational readiness, which will begin in the next 30 days, which is another large undertaking.</li> <li>This month and the following month will be focused more on the market, like the paper transition, so more contracts. We will also be concentrating on internal operations, such as financial matters and different issues along those lines.</li> </ul> <p><b>Question:</b> In one of the slides, diversity, equity, inclusion, and belonging were listed as one of the key topic issues. In terms of transition, can you give a short update?</p>	None	None



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	<p><b>Answer:</b> Previously, the Diversity Equity and Inclusion Committee presented two opposing views at the Board of Governors Meeting. The committee is now reporting up to allow and build out an organization that supports diversity, equity, and inclusion within the organization but also extends into the community and is closely tied to the work done by Dr. O'Brien and his team and Operations team.</p>		
Richard Golfin, III	<p><b>f) BOARD SEAT DESIGNEES</b></p> <ul style="list-style-type: none"> <li>In November 2022, this legislative body approved the addition of four new board seats, subject to approval by the Alameda County Board of Supervisors provisionally. This would increase the number of board members from 15 to 19. During the past few decades, the county ordinance collected 15 seats instead of 19. The PPlan has been working with the council on revising legislation to reflect that. Currently, two seats are under negotiation with the county. Directors of Alameda County Health Care Services and Social Services shall be appointed.</li> <li>Historically, this Board has voted and approved resolutions when board members are added or removed. It is the responsibility of the secretary and chair to approve that resolution. After that, the resolution is submitted for final approval to the Board of Supervisors. Thus, the Board of Governors does not approve the positions. The Board of Supervisors is responsible for finalizing the positions.</li> <li>Currently, we have designated June 12 as a placeholder for you to vote on this ordinance language, but we may need to move it back to July due to the need for more content.</li> </ul> <p><b>Question:</b> Once the director has been designated, does this Board approve the director, and then the director can designate anyone, or do they designate someone, and then this Board approves them?</p> <p><b>Answer:</b> It would be necessary to include that in our bylaws. This nominating process is something we cannot articulate in our bylaws but is something we intend to write into the statutes or propose into the statutes regarding who will sit in the seat.</p> <p><b>Question:</b> Why is the person called a designee instead of an alternate?</p> <p><b>Answer:</b> The language from the county indicates that it must be a director designee, so we adopted that language. However, the language that was proposed back was the record for that.</p>	None	Explaining is and the difference between the resolution versus approval process.
<b>9. STANDING COMMITTEE UPDATES</b>			
Dr. S. O'Brien	<p><b>a) PEER REVIEW AND CREDENTIALING COMMITTEE – APRIL 18, 2023</b></p> <ul style="list-style-type: none"> <li>89 new providers have been approved, and 46 providers have been re-credentialed.</li> </ul>	None	None
<b>10. STAFF UPDATES</b>			
Dr. N. Aboelata	None	None	None
<b>11. UNFINISHED BUSINESS</b>			
Dr. N. Aboelata	None	None	None
<b>12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS</b>			
Dr. N. Aboelata	None	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
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13. PUBLIC COMMENT (NON-AGENDA ITEMS)			
Dr. N. Aboelata	None	None	None
14. ADJOURNMENT			
Dr. N. Aboelata	Dr. N. Aboelata adjourned the meeting at 2:18 pm	None	None