ALAMEDA ALLIANCE FOR HEALTH
BOARD OF GOVERNORS
REGULAR MEETING
October 14th, 2022
12:00 pm – 2:00 pm
1240 S. Loop Road and
Video Conference Call
Alameda, CA

SUMMARY OF PROCEEDINGS

Board of Governors on Conference Call and/or in person: Dr. Evan Seevak (Chair), Rebecca Gebhart (Vice-Chair), Dr. Marty Lynch, Byron Lopez, Dr. Rollington Ferguson, James Jackson, Dr. Noha Aboelata, Dr. Michael Marchiano, Aarondeep Basrai, Supervisor Dave Brown

Alliance Staff Present on Conference Call and/or in person: Scott Coffin, Dr. Steve O'Brien, Gil Riojas, Anastacia Swift, Ruth Watson, Matt Woodruff, Tiffany Cheang

Guests Present on Conference Call:

Excused: Natalie Williams, Dr. Kelley Meade, Andrea Schwab-Galindo, Yeon Park

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
1. CALL TO ORDER			
Dr. Evan Seevak	The regular board meeting was called to order by Dr. Seevak at 12:04 pm. The following public announcement was read: "The Board recognizes that there is a proclaimed state of emergency at both the State and the local Alameda County levels, and there are recommended measures to promote social distancing in place. The Board shall therefore conduct its meetings via teleconference in accordance with Assembly Bill 361 for the duration of the proclaimed State of emergency." "Audience, during each agenda item, you will be provided a reasonable amount of time to provide public comment."	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
2. ROLL CALL			
Dr. Evan Seevak	A telephonic roll call was taken of the Board Members, and a quorum was confirmed.	None	None
3. AGENDA APPROVAL OR MODIFICATIONS			
Dr. Evan Seevak	None	None	None
4. INTRODUCTIONS			
Dr. Evan Seevak	None	None	None
5. CONSENT CALENDAR			
Dr. Evan Seevak	Dr. Seevak presented the July 8th, 2022, Consent Calendar. a) July 8th, 2022, Board of Governors Meeting Minutes b) September 29th, 2022, Board of Governors Retreat Minutes c) September 6th, 2022, Finance Committee Meeting Minutes d) October 11th, 2022, Finance Committee Meeting Minutes Motion to Approve October 14th, 2022, Board of Governors Consent Calendar. A roll call vote was taken, and the motion passed.	Motion to Approve October 14th, 2022, Board of Governors Consent Calendar. Motion: Dr. Marty Lynch Second: Byron Lopez Vote: Yes No opposed or abstained.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY COMMITTEE			
Rebecca Gebhart	The Compliance Advisory Committee (CAC) was held telephonically on October 14th, 2022, at 10:30 am. Rebecca Gebhart gave the following Compliance Advisory Committee updates from the September 9th, 2022, and October 14th, 2022, Compliance Advisory Committee meetings. 2022 Medical Survey: • On September 9th, 2022, we reviewed the 2022 Medical Survey, which had fifteen (15) preliminary findings, nine (9) were repeats. As of September, the State had thirty (30) days to respond. We were notified today that the State issued its final report, and the fifteen (15) preliminary findings are now final. We reviewed ten (10) of the fifteen (15), and the other five (5) findings will be reviewed in November. • Some are repeat findings – for example, in Grievances and Appeals, the appeals acknowledgments were not sent out on time due to several months of backup from last year, which has been corrected. In Grievances and Appeals due to COVID, there was an oversight concerning updating materials, which has also been corrected. • Our focus regarding the findings is determining whether it is a simple fix, or whether there is an issue within our system that requires resources to resolve. Most of these findings were easily corrected. For example, a member rights issue related to failure to send acknowledge letters timely or in threshold languages; was easily corrected. • There was another finding that we did not report unauthorized disclosures of PHI in the reporting timeframes – during that timeframe, we were reporting to the DHCS mailbox, but they were not going through. Compliance Activity Dashboard: • The Kindred Audit has gone through an internal review of all the services of the first quarter (Q1) of 2022, and there were no findings with respect to these services, and this audit may be closed.	Informational update to the Board of Governors. Vote not required.	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	• The audit related to dental anesthesia that was discussed prior has also been closed. DMHC 2022 Behavioral Health Investigation: • Over one thousand (1,000) documents have been submitted due to legislation requesting that behavioral health parity be looked at. All teams across the organization participated in this audit, which only focused on our commercial line. The other audited entities include Kaiser, Health Net, and Blue Cross. The Medi-Cal line of business is held accountable to all requirements. • The investigation reinforced that we do not want to create siloed processes and policies for behavioral health – we want to integrate them into our existing policies and procedures. • In our insourcing work, the staff is looking for discrepancies in how we manage medical and behavioral health, and ensuring we integrate behavioral health into our existing processes. • In the investigation, Beacon was present, as well as all their subject matter experts. Some of the questions from the investigators were related to utilization management, and how we are handling urgent crisis issues in medical cases as well as in behavioral health, and what happens when members are hospitalized. The investigators were interested in which medical criteria were used, and why they were used. Additionally, there is new legislation related to training, which needs to be fulfilled and reflected. • For grievances and appeals, the investigators were interested in how we are tracking that. Additionally, they wanted to ensure our behavioral health network meets adequacy requirements. There are also new requirements for follow-up care. • Regarding member services, the emphasis was placed on whether the same workflows are used for both medical and behavioral health without any additional requirements. • For claims, the focus was whether we are paying claims as quickly on the behavioral health side that we do on the medical side. • All organization departments were analyzed in this investigation and will continue to be looked at. Question: Do we have data on access and how long it takes to get someone a visit for behavioral health?		

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	Answer: In almost all areas, we can get timely access to a visit. The only area we have had questions about access is psychiatry, however, a significant improvement has been made in the network for this. For ABA services/autism services, a lot of families want treatment after school and before the evening. We struggle with this specific time availability, but we continue to have plenty of availability to meet the timely standard. Beacon has done a reasonably good job at reporting access, and standards, and doing it in a way that matches our procedure for tracking access. From an audit perspective, we were able to demonstrate that we have accurate oversight. Question: Do we have any responsibility for psychiatry for the Duals population? Answer: Psychiatry is in high demand, and therefore, they are often not interested in payer mixes due to fees. Our contracting team has strategically contracted with psychiatrists at a higher rate of pay, so our rates are higher than standard Medicare for our Duals. As a Plan, we are being proactive in contracting with psychiatry to ensure we have an adequate network. We are also adding Teladoc, which is new to the Plan to add psychiatry services, and this should be in place by the time we go live. This will give us a broader network capacity. Single Plan Model Transition: • The State extended our deliverable submission requirements from two-hundred-forty-five (245) deliverables to a total of four-hundred-seventy-one (471) deliverables. • The deliverables are submitted to the State in phases. Thus far, we have made two (2) submissions. Our third submission will be due on November 28th, 2022. The largest number of deliverables will be submitted in Spring-Summer 2023. • There are two-hundred-thirty-three (233) deliverables that are still not yet identified by the State. • The new Medi-Cal contract will go into effect on January 1st, 2024, when we transition to the Single Plan Model. All deliverables are associated with Operational Readiness. Medi-Cal Pharmacy Transition: • Dr. Lee spoke about the Medi-Cal Pharmacy Transition and reminded us that it commenced in January. The pharmacy benefit moved to State		

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	administration, and the State is serving ten million (10M) beneficiaries, with a quarter of a million authorizations. • There was a massive cost for many drugs that did not require a prior authorization. The State is now phasing in prior authorization requirements for certain drugs. Informational update to the Board of Governors. Vote not required.		
6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE			
Dr. R. Ferguson	The Finance Committee was held telephonically on Tuesday, September 6th, 2022, and Tuesday, October 11th, 2022. Since Dr. Ferguson was not present for the meeting, Dr. Marchiano provided the following updates: Highlights: • Our enrollment has increased by over six thousand (6,000) members since June 2022, and growth has been reported in all categories of aid. • For the fiscal year-to-date (YTD) ending May 31st, 2022, revenue was topped at about $1.2B, and expenses grew to $1.1B. • The administrative loss ratio (ALR) and medical loss ratio (MLR) remain favorable – the MLR was reported to be ninety-two-point-four percent (92.4%). The MLR is instructed to be between ninety percent (90%) and ninety-five percent (95%). • The TNE is also very healthy – overall, an excellent report and a testament to the hard work of the Alliance. Dr. Ferguson provided the following update: • We had predicted a thirteen-million-dollar loss ($13M) for the fiscal year, and we have turned it around; therefore, it will be an eight-million-dollar profit ($8M) for the fiscal year.	Informational update to the Board of Governors. Vote not required.	None

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	Informational update to the Board of Governors. Vote not required.		
7. CEO UPDATE			
Scott Coffin	Scott Coffin, Chief Executive Officer, presented the following updates: Today, we are reporting three (3) months of financial statements, for the months of June, July, and August of 2022. The reporting consolidation is due to the Board recess in August, and the strategic Board Retreat in the month of September. Financials: • The Alliance implemented a system configuration change in the month of June 2022 that resulted in five-hundred-sixty-seven (567) claims being denied inappropriately over a ninety (90) day period. In the month of September, the claims were correctly processed and paid, totaling approximately three-point-five million dollars ($3.5M). • There was an interest incurred of about forty-one-hundred-dollars ($4100) that was also paid. The paid amount will be recognized in the September 2022 financial report and presented as an adjustment in the financial report presented next month. This is being called out because it is an unusual adjustment and different than previous adjustments that have been presented to the Board. • The public health emergency is still in effect and is tentatively scheduled to continue through January 31st, 2023. This is tied into two important programs occurring right now: (1) The Department of Health Care Services Ambassador Program, which was created to minimize the impact of individuals that would be disenrolled as a result of the public health emergency unwinding. The public health emergency is going to delay some of these plans. The Board will continue to see growth – we have been averaging anywhere from thirteen hundred to fifteen hundred (1,300 – 1,500) in the Medi-Cal program each month. Today, we have about three-hundred-twenty-four thousand (324,000) members, demonstrating	Informational update to the Board of Governors. Vote not required.	None

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	growth from our August report which showed three-hundred-nineteen thousand (319,000) members. Next year around April is when re-determinations will start; that is when the membership will begin to balance. Final Budget – Fiscal Year (FY) 2023: • The final budget for FY2023 is in process and will be presented to the Board of Governors in December 2022. This will follow the delivery of the Medi-Cal rates that will be issued by the Department of Health Care Services, which we are anticipating will be received in November. CalAIM Incentives: • Long-Term Care Initiative: Ruth Watson, our Chief of Integrated Planning will present with the team on the milestones of long-term care. • Mild-to-Moderate Autism Spectrum Disorder: The transition of insourcing of these services from Beacon to Alameda Alliance is set for March 2023. • We've reached a critical milestone with the Housing and Homelessness Incentive Plan (HHIP) – in total, forty-four-point-three million dollars ($44.3M) was allocated to Alameda Alliance as part of this incentive program. This was to cover two-calendar years: nineteen-point-nine million dollars ($19.9M) for calendar year 2022 and twenty-four-point-four million dollars ($24.4M) for calendar year 2023. • For this initiative, the State will issue payments for eligible expenses in three-year periods: September 2022, June 2023, and March 2024. It is important to note that the Department of Health Care Services requires that we obtain performance results using very specific measures by October 2023. The outcomes and performance measures must be obtained in about twelve (12) months. Due to the reimbursement criteria, approximately twenty-six-point-five million dollars ($26.5M) which is sixty percent (60%) of the total allocation was identified. A small portion of that – about six percent (6%) is reserved for administrative expenses that we will incur as part of administering this investment plan. The investment plan was submitted to the Department of Health Care Services on September 30th, 2022. This is a non-binding document that allows us to make necessary changes as we begin implementation. • In this Housing and Homelessness Incentive Plan initiative, the amount at risk is twenty-six-point-five million dollars ($26.5M). There are		

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	performance measures that must be achieved in this program. We are unlikely to be accountable for the full amount because of the performance measures. However, we must demonstrate results to earn the money back. This initiative is in partnership with Alameda County and many of its community-based organizations that are involved. Question: For Calendar Year 2022, what has happened to the nineteen-point-nine million dollars ($19.9M) allotted? Answer: Thus far, we have submitted the Incentive Plan, and we are waiting to receive approval from the Department of Health Care Services. Depending on the timing of the approval, we may begin some of the investment activities. Question: Have there been any updates on the phasing of the re-determination process regarding the ending of the public health emergency? Answer: Assuming the public health emergency carries over through January 2023, there is a sixty (60) day pause after the public health emergency ends before the re-determination process begins. The re-determination process would be created on the anniversary date for the Medi-Cal beneficiary. For example, if enrolled in June 2022, their anniversary date would be triggered in June 2023 which is when they would be re-determined. The impact will be divided over twelve (12) months. Secondly, there is a follow-up plan that the Department of Health Care Services has released – the Unwinding Plan, which is tied into the Ambassador Program. The purpose of this plan is to minimize the potential for people falling out of Medi-Cal managed care and losing coverage. Informational update to the Board of Governors. Vote not required.		
8. a. BOARD BUSINESS – REVIEW AND APPROVE MOSS ADAMS FISCAL YEAR 2022 AUDIT RESULTS			
Chris Pritchard	2022 Audit Results: Alameda Alliance for Health 2022 Audit Objectives:	Motion to Approve the Moss Adams Fiscal Year 2022 Audit Results as presented.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
Rianne Suico	• Opinion on whether the financial statements are reasonably stated and free of material misstatement in accordance with generally accepted accounting principles. • Part of that process involves the consideration of internal controls and compliance. Report of Independent Auditors: • We are issuing an unmodified audit opinion, which is the highest level of assurance an audit firm can provide; this means that the financial statements are presented fairly and in accordance with generally accepted accounting principles, and free of material misstatements. Assets and Deferred Outflows of Resources Composition: • For cash and cash equivalents, we tested the back reconciliations, including any reconciling items as needed. We also confirmed the balances with the bank. • For premiums receivable, we obtained and tested account receivable details. We also looked at cash receipts to test for the collectability of the year-end balances and noted no issues there. • The largest item on the balance sheet is the Alliance's investments. For investments, we obtained and tested the investments and confirmed the investments balance with City National Bank and reviewed the investment footnotes in the financial statements to ensure they were properly stated and presented. • For the other asset accounts, we reviewed the various supporting documents, including the actuary reports for net pension assets, and noted that the balances appeared reasonable. • For capital assets, we tested the capital assets roll forward and tested any additions and disposals as needed above our scope. Liabilities, Deferred Inflows of Resources, and Net Position Balance: • For accounts payable and accrued liabilities and other liabilities, this balance represents the liabilities accrued before year-end but have not been paid before year-end. • For claims payable, we reviewed the Alliance's model to calculate claim liability and performed certain of our own procedures to come up with our estimate of claims payable and compare it to the balance.	Motion: Dr. Marty Lynch Second: Dr. Rollington Ferguson Vote: Yes No opposed or abstained.	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	• We also reviewed the actual report, including the assumptions, and determined that the claims payable balance materially agreed with the actuary report. • For payable to other governmental agencies and hospital fees payable, we tested the different payable reconciliations and gained an understanding of the fluctuation of the balances, and also reviewed the subsequent payments made after year-end. • Lastly, the change in net position is driven by the results of revenues and expenses. We performed various analytical procedures over these balances based on rates, ratios, trends, etc. We deemed these balances to be reasonable. Operating Expenses: • Medical services are the biggest expense. The other operating expense categories, such as marketing, general, and administrative expenses; depreciation and amortization expense; and premium tax expense are consistent each year. Historic Estimated Claims Liability and Historic Actual Claims Liability: • Over the past few years, the Alliance has been close to their estimations in terms of claims liability. This is categorized as more conservative, due to the estimates being higher than the actual claims liability. • In 2020 and 2021, there was a lot of volatility in utilization that typically historical claims experience is what is used to estimate the balance. Due to COVID, there was a lot of volatility which made making estimates more difficult. However, the staff has done a great job with estimating to the best of their ability using the information they had at the time. Historic Actual Claims Liability as a % of Capitation and Premium Revenues: • In the past few years, the percentage has been around seven (7%) to nine (9%) percent of capitation and premium revenues. • In 2020 and 2021, although there's been an increase in membership, the claims have remained fairly consistent at seven percent (7%), which also demonstrates there's lower utilization due to COVID, and utilization not going back to its usual, pre-COVID levels.		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	Tangible Net Equity (TNE): • There is a required Tangible Net Equity (TNE) the Alliance has to maintain in accordance with the Department of Managed Health Care (DMHC) Contract, and the Alliance is in a health financial position. • For each fiscal year end the past few years 2017 to 2022, the Alliance has maintained a Tangible Net Equity five (5) to eight (8) times over the requirement. • This is a good indication of the management's ability to have reserves in place, as all of these more complex compliance items and new programs increase. Important Board Communications: • There are significant accounting policies in the financial statements, listed in note two (2). We read the policies that were adopted by management and found that they were in compliance with generally accepted accounting principles that we are aware of today. • There are accounting estimates in the financial statements; the management also has to make an estimate on collectability of your accounts receivable from the State, as well as the fair market value of your investments. • Based on the procedures we performed, we found that management's accounting estimate process is reasonable and based on the best available information they have. • There were no audit adjustments as a result of audit procedures. The Alliance's management provided us with a fully set up and adjusted trial balance and financial statement that we were able to provide our opinion on and perform our audit procedures based on. The audit went very smoothly, and there were no disagreements. We were also not aware of any instances of fraud or noncompliance with applicable laws and regulations. Question: Is the claims liability of seven-point-one percent (7.13%) typical, and what does it represent? Answer: This represents the percentage of claims activity, and how much claims you are paying as a percentage of your capitation and premium revenues. This is not indicative of all medical expenses; this is the unpaid portion. What we		

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	typically like to see is this trend going in the same direction as your revenue. As your revenue is getting bigger, your claims payments and liability is getting bigger. The percentage has been consistent with a drop in 2021, which is expected due to lower utilization from COVID. Motion to Approve Moss Adams Fiscal Year 2022 Audit Results as presented. A roll call vote was taken, and the motion passed.		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
8. b. BOARD BUSINESS – REVIEW AND APPROVE JUNE 2022 MONTHLY FINANCIAL STATEMENTS			
Gil Riojas	Enrollment: • For the month ending June 30th, 2022, the Alliance had an enrollment over 313,000 members, a net income of $3.3M, and the Tangible Net Equity (TNE) was 601% of the required amount. • Our enrollment has increased by nearly 2,300 members since May 2022, and on a fiscal YTD, we gained over 24,000 members since June 2021. This is primarily due to the Public Health Emergency and the extension of it. • Our seniors and persons with disabilities enrollment continues to grow, as well as our Medi-Cal Duals. Group care remains flat, with a slight decline since June 2022. • Enrollment will continue to grow up until the end of the Public Health Emergency, and likely a few months beyond that. After that, it will likely decline, until members are renewed. Net Operating Results: • For the fiscal YTD ending June 30th, 2022, the actual net income was $23.7M. Our budgeted net income was $3.5M. Revenue: • For the month ending June 30th, 2022, the actual revenue was $96.5M vs. the budgeted revenue of $95.9M. • For the fiscal year ending June 30th, 2022, the actual revenue was $1.2B vs. the budgeted revenue of $1.2B. • We have continued to see growth in our revenue over the past couple of years and are expected to continue growing. Medical Expense: • For the month ending June 30th, 2022, the actual medical expense was $87.6M, and the budgeted medical expense was $86.1M. • For the fiscal year ending June 30th, 2022, the actual medical expense was $1.1B vs. the budgeted medical expense of $1.1B.	Motion to Approve June 2022 Monthly Financial Statements Motion: Dr. Rollington Ferguson Second: Dr. Michael Marchiano Vote: Yes No opposed or abstained.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	• In terms of actual budget, we were about 1.3% unfavorable with what we had budgeted in total dollar medical expenses versus what we had reported. This primarily is due to the increase in volume above what we had expected for our enrollment. As our enrollment increased above our budget, this increased not only our revenue, but also our medical expenses. • On a PMPM basis, we were closer in terms of budget to the actual; medical expense is 1.1% favorable to the budget. • Overall, for the end of FY2022, the team did a great job analyzing and understanding the trends in our medical expenses and our final budget to actual reflects that in our small percentage change. Medical Loss Ratio (MLR): • For the month ending June 30th, 2022, the MLR was 90.8% and 92.5% for the fiscal year-to-date. • Ideally, we would like to maintain our MLR between 90.0% and 95.0%. • Our budget for the end of the fiscal year was at 92.7%. Administrative Expense: • For the month ending June 30th, 2022, the actual administrative expense was $5.4M vs. the budgeted administrative expense of $7.5M. • For the fiscal YTD ending June 30th, 2022, the actual administrative expense was $64.5M vs. the budgeted administrative expense $82.0M. Other Income / (Expense): • As of June 30th, 2022, our fiscal year-to-date net investment revenue reported a small net loss of one-hundred-sixty-two thousand dollars ($162,000). In July and August, we have a reversible trend as interest rates have increased – we have seen some positive results for our investment income, but we did end the fiscal year at a small loss.		

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	• Fiscal-year-to-date claims interest expense is three-hundred-ninety-six thousand dollars ($396,000). Tangible Net Equity (TNE): • The Department of Managed Health Care (DMHC) requires TNE to be thirty-eight million dollars ($38.0M). • We reported actual TNE of two-hundred-twenty-nine-million-dollars ($229.1M), and excess TNE of one-hundred-ninety-one-million-dollars ($191.0M). • Of the required TNE, we have six-hundred-and-one percent (601%). Cash Position and Assets: • For the month ending June 30th, 2022, the Alliance reported $307.4M in cash; $192.7M in uncommitted cash. Our current ratio is above the minimum required at 1.72 compared to the regulatory minimum of 1.0. Capital Investment: • Fiscal year-to-date capital assets acquired: $421,000. • Annual capital budget: $1.4M. Motion to Approve June 2022 Monthly Financial Statements as presented. A roll call vote was taken, and the motion passed.		
8. c. BOARD BUSINESS – REVIEW AND APPROVE JULY 2022 MONTHLY FINANCIAL STATEMENTS			
Gil Riojas	Enrollment: • For the month ending July 30th, 2022, the Alliance had an enrollment over 317,000 members, a net income of $5.7M, and the Tangible Net Equity (TNE) was 625% of the required amount. • Our enrollment has increased by over 4,500 members since June 2022. We saw increases in consistent categories; there was also a rise in our	Motion to Approve July 2022 Monthly Financial Statements Motion: Dr. Michael Marchiano	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	optional expansions beyond normal and in our SPD's. The reason for these increases is related to the transition for adults over fifty (50) that happened in May, which reflected in our July results. The biggest increase was in SPD's and Optional Expansion (OE) related to the older adults coming into our population. • Our Medi-Cal Duals continue to grow as well as our Group Care was flat from June to July. • There continues to be a consistent increase in enrollment, with a significant increase from June to July due to the increase in adult members fifty and older. Net Operating Results: • For the fiscal YTD ending July 31st, 2022, the actual net income was $5.7M. Our budgeted net loss was $3.4M. • What we are planning for our final budget involves looking at the results of the first few months of this fiscal year and adjusting based on actual results. • There was a favorable variance of $9.1M in the month of July due to lower than anticipated medical expenses, and lower than anticipated administrative expenses. Revenue: • For the month ending July 31st, 2022, the actual revenue was $100.8M vs. the budgeted revenue of $101.8M. • We have continued to see growth in our revenue over the past couple of years and are expected to continue growing. • DHCS made an acuity adjustment to our rates related to our membership and the acuity level of our members. It was determined that the acuity level of our members is lower than the rate paid to us. This has resulted in an adjustment to our calendar year 2022 rates, which will be about four million dollars ($4.0M) negative to our revenue. This is being factored in monthly basis. Medical Expense:	Second: Dr. Marty Lynch Vote: Yes No opposed or abstained.	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	• For the month ending July 31st, 2022, the actual medical expense was $90.9M, and the budgeted medical expense was $98.8M. • We also had some adjustments that were favorable to our Incurred-But-Not-Paid (IBNP) claims; as we looked at some of the factors, we reduced the estimate for our IBNP by two-point-five million dollars ($2.5M). Medical Loss Ratio (MLR): • For the month ending July 31st, 2022, the MLR was 90.1% and 90.1% for the fiscal year-to-date. • Our budgeted MLR for FY2023 is 94.5%, so we are currently below our budgeted number. We anticipate changing this budgeted number based on the results we see in the first couple of months of the fiscal year. Administrative Expense: • For the month ending July 31st, 2022, the actual administrative expense was $4.7M vs. the budgeted administrative expense of $6.5M. • Our administrative loss ratio (ALR) represented 4.7% of net revenue for the month and year-to-date. Our preliminary budget was about 6.6%, so we are below our target for administrative expenses. Other Income / (Expense): • Our investments are demonstrating positive results. As of July 31st, 2022, our fiscal year-to-date net investment revenue reported a four-hundred-sixty-six thousand dollars ($466,000). • Fiscal-year-to-date claims interest expense due to delayed payment of certain claims or re-calculated interest on previously paid claims is twenty-four thousand dollars ($24,000). Tangible Net Equity (TNE): • The Department of Managed Health Care (DMHC) requires TNE to be about thirty-eight million dollars ($38.0M).		

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	• We reported actual TNE of two-hundred-thirty-six-point-four million dollars ($236.4M), and excess TNE of one-hundred-ninety-eight-point-six million dollars ($198.6M). • Of the required TNE, we reported (625%). • In June, starting in July, the Department of Managed Health Care increased the requirement for monthly reporting from one-hundred thirty percent (130%) of Tangible Net Equity to one-hundred-and-fifty percent (150%) of Tangible Net Equity. This means that if our Tangible Net Equity falls below 150% of the required amount, we would be required to report monthly financials to the Department of Managed Health Care. This will not impact us because our Tangible Net Equity is high. Cash Position and Assets: • For the month ending July 31st, 2022, the Alliance reported $300.8M in cash; $204.8M in uncommitted cash. Our current ratio is above the minimum required at 1.72 compared to the regulatory minimum of 1.0. Capital Investment: • Fiscal year-to-date capital assets acquired: $0. • Annual capital budget: $979,000. Motion to Approve July 2022 Monthly Financial Statements as presented. A roll call vote was taken, and the motion passed.		
8.d. BOARD BUSINESS – REVIEW AND APPROVE AUGUST 2022 MONTHLY FINANCIAL STATEMENTS			
Gil Riojas	Enrollment: • For the month ending August 31st, 2022, the Alliance had an enrollment over 319,000 members, a net income of $2.3M, and the Tangible Net Equity (TNE) was 627% of the required amount.	Motion to Approve August 2022 Monthly Financial Statements Motion: Dr. Rollington Ferguson	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	• One of the significant factors we look at for our final budget is the rates the State provides us – the State has delayed providing the rates to us, and so we have preliminary draft rates to anticipate until we receive them. We do not anticipate receiving the final rates until January 2023. • Our enrollment has increased by over 1,600 members since July 2022, and by 6,200 members since June 2022. Net Operating Results: • For the fiscal YTD ending August 31st, 2022, the actual net income was $8.0M. Our budgeted net loss was $5.5M. • We also saw an increase in our claims payment that will be reflected in our September results. Revenue: • For the month ending August 31st, 2022, the actual revenue was $101.0M vs. the budgeted revenue of $102.3M. • For the fiscal YTD ending August 31st, 2022, the actual revenue was $201.8M vs. the budgeted revenue of $204.1M. Medical Expense: • For the month ending August 31st, 2022, the actual medical expense was $93.3M, and the budgeted medical expense was $97.4M. • We also had a decrease in our Incurred-But-Not-Paid (IBNP) claims by one-point-six million dollars ($1.6M). • Our budgeted total numbers PMPM were about three percent (3%) variance between our budget to actuals in terms of full dollars, which equates to about five-point-eight-million-dollar ($5.8M) variance. Question: Please tell us more about the other benefits and services category? Answer: The bulk of what we categorize as other benefits and services is related to our clinical, administrative expenses, and that equates to our FTEs; our clinical FTEs are included in those expenses. For example, if we have budgeted for FTEs in our clinical departments to be hired and they are not hired, we would have savings in that department. These constitute clinical expenses and are included	Second: Dr. Marty Lynch Vote: Yes No opposed or abstained.	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	as medical expenses. It is to our benefit to ensure this is reflected in our medical expense. Medical Loss Ratio (MLR): • For the month ending August 31st, 2022, the MLR was 92.4% and 91.3% for the fiscal year-to-date. • Our budgeted MLR for FY2023 is 94.5%, so we are currently below our budgeted number. Administrative Expense: • For the month ending August 31st, 2022, the actual administrative expense was $5.7M vs. the budgeted administrative expense of $7.0M. • For the fiscal YTD ending August 31st, 2022, the actual administrative expense was $10.4M vs. the budgeted administrative expense of $13.5M. • On both the monthly and year-to-date basis, which equates to about a three million dollar ($3.0M) variance. The bulk of this is related to the delayed timing of new project start-dates for Consultants, Computer Support Services and Purchased Services, as well as the delayed hiring of new employees. • Administrative loss ratio (ALR) represented five-point-six percent (5.6%) of net revenue for the month and five-point-two percent (5.2%) of net revenue year-to-date. Our budgeted administrative loss percent is six-point-six percent (6.6%), so we are below our budgeted number. Other Income / (Expense): • We are continuing to see growth in our investments. As of August 31st, 2022, our fiscal year-to-date net investment revenue reported eight-hundred-fifty-nine thousand dollars ($859,000). • Fiscal-year-to-date claims interest expense due to delayed payment of certain claims or re-calculated interest on previously paid claims is fifty-two thousand dollars ($52,000).		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	Tangible Net Equity (TNE): • The Department of Managed Health Care (DMHC) requires TNE to be about thirty-eight million dollars ($38.0M). • We reported actual TNE of two-hundred-thirty-eight-point-seven million dollars ($238.7M), and excess TNE of two-hundred-point-six million dollars ($200.6M). • Of the required TNE, we reported a growth of two percent (2%) from last month to six-hundred-twenty-seven percent (627%). • It is important we continue to maintain a healthy reserve amount with all the new projects we are implementing. • Compared to other plans, we fall somewhere in the middle in terms of Tangible Net Equity. However, our TNE trend is similar to our sister plans. Cash Position and Assets: • For the month ending August 31st, 2022, the Alliance reported $322.4M in cash; $147.9M in uncommitted cash. Our current ratio is above the minimum required at 1.55 compared to the regulatory minimum of 1.0. Capital Investment: • Fiscal year-to-date capital assets acquired: $24,000. • Annual capital budget: $1.0 million. Motion to Approve August 2022 Monthly Financial Statements as presented. A roll call vote was taken, and the motion passed.		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
8. e. BOARD BUSINESS – REVIEW AND APPROVE RESOLUTION #2022-03 AD HOC EXECUTIVE SEARCH			
Dr. Evan Seevak	Staff Report & Resolution: • Alameda Alliance for Health CEO Scott Coffin has informed the Board of Governors of his retirement, effective May 31st, 2023. • The Subcommittees intend to take on the task of the hiring process. Resolution No. 2022-03 will create an Ad Hoc Executive Search Subcommittee, as an advisory subcommittee of the standing Executive Committee, to advise as necessary on the search, selection, and hiring of a new Alliance CEO. • Resolution No. 2022-03 nominates the following six (6) Alliance Board members to the Ad Hoc Executive Search: Dr. Evan Seevak, Ms. Rebecca Gebhart, Dr. Rollington Ferguson, Ms. Andrea Schwab-Galindo, Dr. Marty Lynch, and Mr. James Jackson. Motion to Approve Resolution #2022-03 Ad Hoc Executive Search Subcommittee as presented. A roll call vote was taken, and the motion passed.	Motion to Approve Resolution #2022-03 Ad Hoc Executive Search Subcommittee Motion: Dr. Rollington Ferguson Second: Aaron Basrai Vote: Yes No opposed or abstained.	None
8. f. BOARD BUSINESS – REVIEW THE CURRENT BOARD OF GOVERNORS COMPOSITION & DISCUSS FOUR (4) ADDED			
Dr. Evan Seevak	BOG Composition & 4 Additional Seats: • Based on the discussion at the Board retreat, the Long-Term Support Services Seat will focus on long-term services and supports LTSF. • We discussed whether this person will be someone with expertise in nursing or broader expertise. Initially, it may make sense to have someone with skilled expertise in nursing; in the long-term, it may be beneficial to have someone with broader experience. • The four new Board seats are: (1) The Alameda County Health Care Services Agency, Agency Director Seat; (2) The Alameda County Social Services Agency, Agency Director Seat; (3) Community Health Center Network (CHCN) Executive Director Seat; and (4) The Long-Term Support Services (LTSS) Seat.	Informational update to the Board of Governors. Vote not required.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	Informational update to the Board of Governors. Vote not required.		
8. g. BOARD BUSINESS – CALAIM IMPLEMENTATION UPDATE			
Ruth Watson Lily Hunter	Agenda: • Under CalAIM: Enhanced Care Management; Community Supports; Long-Term Care Carve-In, which will be effective January 1st, 2023. • Mental Health Insourcing • Incentive Programs: CalAIM Incentive Payment Program (IPP); Student Behavioral Health Incentive Program (SBHIP); and Housing and Homelessness Incentive Program (HHIP). CalAIM – Enhanced Care Management (ECM): • We currently have over nine-thousand members eligible for ECM, and approximately one-thousand enrolled in ECM across our eight (8) ECM Providers. • In January 2023, we will be taking on two (2) more populations of Focus: (1) Members Eligible for Long-Term Care and At-Risk of Institutionalization; and (2) Nursing Home Residents Transitioning to Community. To assist these members, the work will center around finding housing. • DHCS is also looking to strengthen our transitions of care programming for members leaving facilities. To better serve these populations of focus, there are two (2) community supports services that are under consideration for a self-funded pilot. CalAIM – Community Supports: • We currently offer six (6) Community Supports (CS) services. Through August of this year, we have served over eleven hundred (1,135) members across the six (6) CS services through our six (6) CS Providers. Most of our authorizations have been around housing.	Informational update to the Board of Governors. Vote not required.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
Annjanette Dixon	• Our CS are in lieu of services; we are seeing a decline in hospital utilization with admissions, bed days, and average length of stay. • This data is preliminary and not finalized, but this is moving in the right direction. CalAIM – Long Term Care Carve-In: • Long-Term Care Benefits for Members: Effective January 1st, 2023. • We have submitted our Skilled Nursing Facility (SNF) Network Readiness Template on September 1st, 2022. The resubmission took place on October 12th, 2022, with minor edits. • The DHCS Network Goal is sixty percent (60%), and we are currently at sixty-point-two percent (60.2%). Matthew Woodruff provided the following comment: We received a couple of contracts in the mail yesterday which were immediately signed. This reflects a growth in our percentage to sixty-seven percent (67%). • The Long-Term Care Member Materials have been submitted and approved by DHCS. • DHCS released the final APL for Long-Term-Care Carve In on September 28th, 2022. Additional DHCS Deliverables will be submitted November 28th, 2022, and will include new Policies and Procedures (P&Ps) for the Alliance, revisions of existing P&Ps, and Program Description for the Long-Term Care Benefits. • Contracting and Credentialing: We have contracted with fifty-seven (57) facilities, specifically for the Custodial Level of Care. Thirty-four (34) of the fifty-seven have been credentialed by our Credentialing department. Sixty-four (64) Primary Care Providers (PCPs) have been identified, and twenty-three (23) contracts have been signed. We have a total of forty-five (45) out-of-area facilities. • We will begin conducting Long-Term Care Provider Town Halls beginning in late October. This will include training for all long-term care providers and facilities on specific submissions of claims and how to contact		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	Alameda Alliance for Health representatives and further strength our partnership with providers. • DHCS should be providing updated Member Data in November 2022 regarding the members that will be part of this carve-in. We are developing a contingency plan on how we will absorb these members prior to going live to ensure we are aligned with DHCS requirements and the APL. We will also be receiving existing authorizations data which will impact continuity of care. • Long-Term Care Staffing Resources: The RN Manager position has been accepted by a candidate; we have two RN Positions open and have offered one position; the Social Worker will be posted; and we are interviewing for the Non-Clinical Navigator position. Question: Whether the work involving the nursing homes will be taken up under the new Long-Term Care manager position, or whether it will stay on the ECM side? Answer: We just hired Long-Term Care managers who are building the team; these resources with Community Supports, ECM, and Long-Term Care benefit need to be very closely working together. The getting people out or keeping people out is primarily focused on housing supports, and it is going to be a defined set of services. The ECM Community Support team will have oversight with significant connectivity to Long-Term Care. However, this may evolve as we bring more staff on board. CalAIM – LTC and Managed Long-Term Services and Supports (MLTSS): • In January 2023, the Mandatory Managed Care Enrollment – LTC Transition from Medi-Cal FFS into Managed Care will go live. • In July 2023, the Mandatory Managed Care Enrollment for Medi-Cal members residing in Sub-acute or Pediatric Subacutes, Intermediate Care Facilities (ICF) and Institutions for Mental Disease (IMD) will transition to MCPs. • In January 2025 or by 2026, (the State has not officially decided), the Transition to Dual Eligible Special Needs Plan (D-SNP), all Medi-Cal MCPs will be required to operate Medicare Dual Eligible Special Needs		
Ruth Watson			

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	Plans (D-SNPs), unless determined otherwise by 2022 D-SNP Feasibility Study. • Additionally, exclusivity aligned enrollment (EAE) will be required in all counties. This means that you must have Medicare and Medicaid within the same organization for purposes of coordinating care. • By January 2026 or 2027 (the State has not officially decided), the Transition to Statewide Managed Long-Term Support Service (MLTSS) will go live. Informational update to the Board of Governors. Vote not required.		
8. h. BOARD BUSINESS – INSOURCING OF MENTAL HEALTH AND AUTISM SPECTRUM			
Corry Keenan	Mental Health Insourcing: • We are currently working on Material Modification – it is required and must be approved by the Department of Managed Health Care (DMHC). • Based on the work in our pre-filing meetings, we decided to break it up into three (3) submissions. • The first submission involved the Narrative of what we included in all three submissions; in that, we included our Evidence of Coverage (EOC) for Medi-Cal and Group Care, our Member and Provider Notices, and Medi-Cal and Group Care Notifications. Also, part of Submission #1 was our Behavioral Health Contract Template – submitted on September 2nd, 2022. • Submission #2 was submitted on September 30th, 2022, and included an update to the Narrative submitted in Submission #1, all Policies and Procedures that were either modified to incorporate Behavioral Health or were created for the new benefit, and our Financial Assumptions. • Submission #3 we targeted for internal review on October 12th, 2022, was a Narrative to DMHC around a full network analysis that we are completing for Provider Services.	Informational update to the Board of Governors. Vote not required.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
Matthew Woodruff	• The following are also part of our DMHC submissions: (1) DMHC BH Filing Comment Table, which is due October 18th, 2022; (2) ASAs – submitted October 5th, 2022. Provider Services: • We have one-hundred-twenty-seven (127) providers that are under contract as of Wednesday – that breaks down to five-hundred-eighty (580) which includes medical doctors, psychologists, ABA providers, and all other providers falling under behavioral health. • Another two-hundred-forty-seven (247) were telehealth only; the five-hundred-eight (580) mentioned could also have telehealth services, but they also have offices. CalAIM Incentive Payment Program (IPP): • The CalAIM Incentive Payment Program is intended to support ECM and CS, enhance capacity building, and system infrastructure. • We have received ten (10) applications for IPP Funding to date. As of September, initial payments totaling over four-point-sixty-nine million dollars ($4.69M) have been distributed to the applicants who received awards for IPP Funding. • As of this week, we have reviewed all the applicants' Status Reports, and everyone who has submitted so far has been approved for the second half of their incentive amount; those payments are being processed. • On September 1st, 2022, we submitted our documents to DHCS for our second payment, which will determine how much of our remaining fifty percent (50%) we will earn – we will most likely be informed in December 2022. Question: From the providers that were mentioned, are they all aware of the transition? Have they agreed to stay with us? Answer: Yes, I cannot say they are all Beacon providers – some are new providers. There are five-hundred-eighty non-telehealth-only providers, and two-hundred-forty-seven (247) are telehealth providers. They have agreed contractually, but not all have gone through credentialing. Tami Lewis Incentive Programs – Student Behavioral Health Incentive Program (SBHIP):		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	• This is a three (3) year program that started in January 2022 and will conclude in December 2024. There are two (2) phases – The Needs Assessment Phase and the Targeted Interventions Phase. • We are currently concluding the Needs Assessment Phase; each of the partnering school districts are required to complete a Needs Assessment, and those are due to us Monday, October 17th, 2022. We will then look at those and work with our SBHIP partners to identify Targeted Interventions for Alameda County – we must have a minimum of four (4). We want to identify those by the end of November 2022. In the month of December, we will consolidate the eleven (11) separate Needs Assessment into one document, and create project plans for the targeted interventions that we will identify, all of which must be submitted to DHCS by December 31st, 2022. • Starting in January, we will begin implementing the various Targeted Interventions. Incentive Programs – Housing and Homelessness Incentive Program: • We expect to receive the first payment from DHCS this month, which is tied to the initial five percent (5%) of earnable dollars for submission of our Local Homelessness Plan. Informational update to the Board of Governors. Vote not required.		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
9. STANDING COMMITTEE UPDATES			
Dr. Steve O'Brien	**The Health Care Quality Committee (HCQC) was held September 16th, 2022.** Dr. Steve O'Brien provided the following Committee updates: • We reviewed the Kaiser QI Program Evaluation and Workplan, and the 2022 Patient Needs Assessment. The Patient Needs Assessment is a cornerstone document for the Plan; it describes our members, what our population looks like, as well as a variety of demographic and equity issues. This report helps feed our Population Health strategy. • We also looked at our 2021 HEDIS results and 2022 HEDIS Roadmap. We got an update on PQI's, facility site reviews, and the Pause Survey. **The Peer Review & Credentialing Committee (PRRC) was held on July 19th, 2022, and September 20th, 2022.** Dr. Steve O'Brien provided the following Committee updates: • In July, we had ten (10) initial providers credentialed, and forty-one (41) providers were re-credentialed. • In September, we had ninety-six (96) initial providers credentialed of which seventy-six (76) were the first batch of credentialed behavioral health providers. The next Credentialing Committee is next Tuesday, October 18th, 2022, and there is another equally large batch of behavioral health providers in line to be credentialed. We also re-credentialed twenty-seven (27) providers. **The Pharmacy & Therapeutics Committee (P&T) was held on September 20th, 2022.**	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
Scott Coffin	Dr. Steve O'Brien provided the following Committee updates: • The Committee reviewed the Efficacy Safety Cost and Utilization profiles of ten (10) therapeutic categories and drug monographs, four (4) formulary modifications, and thirty-five (35) prior authorization guidelines, nineteen (19) of which were reviewed with no updates. Question: How was the HEDIS data? Answer: It is good compared to previous years; there was significant improvement. **The Member Advisory Committee (MAC) was held on September 15th, 2022.** CEO Scott Coffin provided the following Committee updates: • There was an update from the CEO on the operations and financial performance followed by an update by the Chief Medical Officer on COVID-19 and Monkeypox. • Reports were given by the Grievance and Appeals team, an Operations report, and a Community Outreach report. The meeting closed with a Cultural and Linguistics presentation on the second part of the annual report. • The 2022 Population Means Assessment and Action Plan was presented, and we welcomed two (2) new MAC members – Warren Cushman and Jody Moore. We also have two (2) new candidates that were introduced for consideration for membership to MAC. • Our next MAC meeting is scheduled for December 15th, 2022. Informational update to the Board of Governors. Vote not required.		

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
10. STAFF UPDATES			
Scott Coffin	None	None	None
11. UNFINISHED BUSINESS			
Scott Coffin	None	None	None
12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS			
Dr. Evan Seevak	None	None	None
13. PUBLIC COMMENT (NON-AGENDA ITEMS)			
Dr. Evan Seevak	None	None	None
14. ADJOURNMENT			
Dr. Evan Seevak	Dr. Evan Seevak adjourned the meeting at 2:01 pm.	None	None

Respectfully Submitted by: Danube Serri, J.D.
Legal Analyst, Legal Services.