

**ALAMEDA ALLIANCE FOR HEALTH
BOARD OF GOVERNORS
REGULAR MEETING**

**February 14, 2020
12:00 pm – 2:00 pm
1240 South Loop Road, Alameda, CA**

SUMMARY OF PROCEEDINGS

Board Members Present: Dr. Evan Seevak (Chair), Rebecca Gebhart (Vice Chair), Dr. Noha Aboelata, Wilma Chan, Aarondeep Basrai, Dr. Michael Marchiano, Dr. Rollington Ferguson, Marty Lynch, Feda Almaliti, Nicholas Peraino, Delvecchio Finley

Excused: David B. Vliet

Alliance Staff Present: Scott Coffin, Dr. Steve O'Brien, Gil Riojas, Tiffany Cheang, Anastacia Swift, Diana Sekhon, Sasi Karaiyan, Matt Woodruff, Jeanette Murray

Board of Governors on Conference Call: None

Guest Speakers: None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
1. CALL TO ORDER			
Dr. Seevak	The regular board meeting was called to order by Dr. Seevak at 12:01 PM.	None	None
2. ROLL CALL			
Dr. Seevak	Board Members and Alliance Staff were introduced.	None	None
3. AGENDA APPROVAL OR MODIFICATIONS			
Dr. Seevak	None	None	None
4. INTRODUCTIONS			
Dr. Seevak	Introductions were made during Roll Call.	None	None
5. CONSENT CALENDAR			

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
Dr. Seevak	Review and Approve January 2020 Board of Governors Meeting Minutes.	Motion: M. Lynch Second: Wilma Chan Motion passed.	None
6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY COMMITTEE			
R. Gebhart	<p>The Compliance Advisory Committee met on February 14, 2019.</p> <ul style="list-style-type: none"> • R. Gebhart gave a detailed update on the Compliance Advisory Committee. <p>DMHC Financial Audit update</p> <ul style="list-style-type: none"> • This is an annual audit that reviews liabilities, incurred but not paid claims, cash, balance sheet, claims, and provider dispute resolution (PDR). State auditors are reviewing the term of October 2017 – September 2019. Six findings were identified in the areas of claims and PDRs, and no findings in the financial areas. • Next steps, we will receive a preliminary audit report in March and have 45 days to respond with a Corrective Action Plan. <p>DMHC Medical Follow-up Audit</p> <ul style="list-style-type: none"> • This audit is a follow up to a 2018 routine audit that found 12 deficiencies; the follow up is to determine if the deficiencies have been corrected. The period reviewed is January 2019 – September 2019. The State auditors found that seven of the 12 deficiencies were not corrected. The preliminary findings were: <ul style="list-style-type: none"> ○ Potential Quality Issues (PQIs) – in 2018 the Alliance did not use a compliant process, and have corrected in 2020 through process changes and new technology solutions. However, auditors identified ways to improve future processes. ○ The Utilization Management Notice of Actions (NOA) did not meet the standards of clear, concise and 6th grade level. • Two other audit items were: <ul style="list-style-type: none"> ○ Specific language in certain physician letters. ○ Inclusion of specific language not in specific letter. • Grievances – Auditors found problems with one type of grievance: the urgent 72-hour response to grievances. 	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	

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	<ul style="list-style-type: none"> In summary, although repeat findings are good, it is important to note that the nature of most of the repeat findings is different from the first finding in 2018. The findings are more detailed refinements, indicating that progress has been made, but that further more nuanced corrections are still needed. Alliance waiting to receive the preliminary audit report in three to six months. The next routine Medical Services audit will be in October 2020. 		
6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE			
Dr. Ferguson	<p>Finance Committee was held on Tuesday, February 11, 2020.</p> <p>Finance Issues:</p> <ul style="list-style-type: none"> The decline of members, which is about 2000 a month. State of California has a 3 percent overall decline but we have a 6 percent. Why? Death Audit has been resolved but is there a mechanism in place for future issues? The MLR is at 88.7 but our goal is in the 90 percent rate. Administrative expenses are not tracking to budget. <p>Question:</p> <ul style="list-style-type: none"> Are you concerned why we are under budget with administrative expenses? <p>Answer:</p> <ul style="list-style-type: none"> There is a concern of underspending in the Administrative area. The broader picture is how close our actuals should match our budget. 	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
6. c. BOARD MEMBER REPORT – STRATEGY COMMITTEE			
S. Coffin	<p>The Strategy Committee was held on January 10, 2020.</p> <ul style="list-style-type: none"> The Committee discussed potential engagement of a consultant group to facilitate meetings. 	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not</p>	

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	<ul style="list-style-type: none"> In February the committee will be receiving the consultant's proposal. The Strategy Committee Meeting is open to all Board Members and will resume in March. 	required.	
7. CEO UPDATE			
S. Coffin	<p>Key Performance Indicators:</p> <ul style="list-style-type: none"> The Alliance financial performance is favorable. The Alliance Team works very hard at collecting and analyzing data in order to accomplish forecasting. We also developed tools this year to forecast more accurately. Quarterly forecasting helps to connect the current performance to when the forecasting originally took place. Forecasting is an estimate that we use by looking at history, trends in the market place, and costs. <p>Membership:</p> <ul style="list-style-type: none"> The Medi-Cal monthly membership declines are trending 1,500 to 2,000 per month. The Alliance is studying data and working with Alameda County Social Services to identify the reason for the disenrollment trends in membership each month and where the individuals are going in the system (either to other commercial products in the Covered California, or to other systems). The disenrollment in Alameda County is 5 percent and the state is 3 percent. <p>Death Audit:</p> <ul style="list-style-type: none"> The State identified 4,100 members from 2011 – 2018. The problem causing this misreporting of ineligible members has not been fixed by Alameda County Social Services, and recoupments by DHCS is anticipated for calendar years 2019 and 2020. The Alliance is accruing in the budget for future recoupments related to ineligible enrollees. <p>Compliance:</p> <ul style="list-style-type: none"> Compliance is one of the top priorities at the Alliance. 	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	

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	<ul style="list-style-type: none"> • The Compliance Advisory Committee has succeeded in doing a great job of tracking the open and closed issues. • A number of Board Members attend the Compliance Advisory Committee and all Board Members are invited to attend this meeting. <p>DHCS Director:</p> <ul style="list-style-type: none"> • Governor Newsom announced Dr. Bradley Gilbert as the new Director of DHCS and begins on February 23, 2020. • It is anticipated that Dr. Gilbert would facilitate the CalAIM program. <p>Mental Health Assessment:</p> <ul style="list-style-type: none"> • Several months ago we initiated a “Mild to Moderate” Mental Health Assessment, and will be completed in March. • A copy of the assessment will be shared with the entire Board of Governors review. • An external consultant Peter Currie has been engaged to help with the assessment. • The purpose of this assessment is to understand Beacon Health Options role in servicing the Alliance. • Three future options have been identified: <ul style="list-style-type: none"> ○ Option 1 – The Alliance would transition to be the administrator of these services. ○ Option 2 – The Alliance would continue to outsource the administration, to an external service provider. ○ Option 3 – Hybrid option, Alliance continues to outsource while a transition to insourcing is completed. • The assessment will help with understanding the available options to the Alliance and to its members. <p>Question:</p> <ul style="list-style-type: none"> • The issue of membership decline, are other counties experiencing large flux in enrollments? <p>Answer:</p> <ul style="list-style-type: none"> • Other counties are more stable, however, part of the enrollment trends are related to how residents are enrolled by the counties. 		

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8. a. MEDI-CAL UPDATE – CalAIM INITIATIVES			
S. Coffin	<p>Scott Coffin presented the following presentation to the Board.</p> <ul style="list-style-type: none"> • CalAIM, or Healthier California for All. <p>Items discussed were:</p> <ul style="list-style-type: none"> • Alliance’s priorities in calendar year 2020 related to CalAIM. • Activity Report January/February 2020 is a list of items that must take place during this timeframe. • Behavioral Health Integration (BHI) Incentive Pilot starting in April 2020. • Enhanced Care Management (ECM) targets specific populations in the Medi-Cal system and is for children and adults. • In Lieu of Services (ILOS) are optional add-on services covered under Medi-Cal, starting January 1, 2021. 	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
9. a. BOARD BUSINESS – REVIEW AND APPROVE DECEMBER 2019 MONTHLY FINANCIAL STATEMENTS			
Gil Riojas	<p>Net Income and Enrollment:</p> <ul style="list-style-type: none"> • For the month ending December 31, 2019, the Alliance had enrollment of 248,831 members and a Net Income of \$5.4M and Tangible Net Equity is 595%. • For the year-to-date, the Alliance recorded a Net Income of \$14.9M. • Our enrollment decreased by 1,867 members since the month of November, and 9,554 members since June 2019. • Reductions continue in the Adult and Child and Optional Expansion categories of aid. • SPDs, Duals, and Group Care Program remain flat. <p>Revenue:</p> <ul style="list-style-type: none"> • For the month ending December 31, 2019, Revenue came in higher than budgeted at \$84.9M vs. budgeted amount of \$78.7M. 	<p>Motion: D. Finley Second: F. Almaliti Motion passed.</p>	

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	<ul style="list-style-type: none"> For the year-to-date, the Alliance recorded Revenue of \$487.6M vs. budgeted Revenue of \$474.6M. The largest variances are due to higher than anticipated Revenue, and lower than anticipated Administrative Expense. <p>Medical Expense:</p> <ul style="list-style-type: none"> For the month ending December 31, 2019, actual Medical Expenses were \$75.3M vs. our budgeted amount of \$73.8M for current month. For the year-to-date, Medical Expenses are \$448.8M vs. budgeted amount of \$441.8M. <p>Administrative Expense:</p> <ul style="list-style-type: none"> For the month ending December 31, 2019, Actual Administrative Expenses were below budget for the month at \$4.5M vs. budgeted \$5.4M. We are also below budget for year-to-date at \$26.1M vs. \$30.0M. Our Administrative Expense represents 5.3% of our Revenue for the month and 5.4% of net Revenue for the year-to-date. <p>Other Income / (Expense):</p> <ul style="list-style-type: none"> As of December 31, 2019, our YTD interest income from investments is \$2.8M, and YTD claims interest expense is \$167,000. <p>Tangible Net Equity (TNE):</p> <ul style="list-style-type: none"> Tangible net equity results continue to remain healthy, and at the end of December 31, 2019 the TNE was reported at 595% of the required amount, with a surplus of \$162.8M. <p>Cash Position and Assets:</p> <ul style="list-style-type: none"> For the month ending December 31, 2019, we reported \$225.5M in cash; \$202.0M is uncommitted. Our current ratio is above the minimum required at 2.23 compared to 1.0. <p>Capital Investments:</p> <ul style="list-style-type: none"> Capital Assets Fiscal year-to-date is \$451,000. 		

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	<ul style="list-style-type: none"> Annual Capital budget is \$2.5M. 		
9. b. BOARD BUSINESS – FISCAL YEAR 2020/2021 BUDGET PROCESS & TIMELINE			
G. Riojas	<p>Fiscal Year 2020/2021 Budget Process & Timeline were discussed:</p> <p>Gil gave a brief update of the FY 20/21 Budget Process.</p> <ul style="list-style-type: none"> Alliance supplied resources to the managers and training will also be supplied in the next few weeks. May 1 – Forecast due to DHCS. June 9 – Due to Finance Committee Meeting, the preliminary Budget. June 12 – Due to Board of Governors, the preliminary Budget. Sept 7 – Due to Finance Committee Meeting, the Final Budget. September 11 – Due to Board of Governors, the Final Budget for approval. 		
9. c. BOARD BUSINESS – CONSUMER MEMBER BOARD SEAT			
C. Coffin	<p>The Consumer Member Board Seat was discussed:</p> <ul style="list-style-type: none"> Will Scott resigned in the Month of January 2020. The processes of appointing a new member is from the Members Advisory Committee (MAC). 2 MAC members will be interviewed and 1 will be chosen. 		
9. d. BOARD BUSINESS – DISSOLUTION OF JOINT AUTHORITY			
S. Coffin	<p>The Dissolution Of Joint Power Authority (JPA) was discussed:</p> <ul style="list-style-type: none"> Alliance is dissolving the JPA which was created in 2005. The Alliance is moving our GroupCare from the JPA to the Alliance. Next meeting there will be two resolutions for a full vote at the March 2020 Board meeting. 		

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10. a. STANDING COMMITTEE UPDATES – PEER REVIEW AND CREDENTIALING COMMITTEE			
Dr. O'Brien	<p>The Peer Review and Credentialing Committee was held on January 21, 2020.</p> <ul style="list-style-type: none"> • Credentialed: 9 Initial Providers. <ul style="list-style-type: none"> ○ 1 Primary Care Providers. ○ 4 Specialists. ○ 0 Ancillary Providers. ○ 4 Midlevel Providers. • Re-credentialed: 34 Providers. <ul style="list-style-type: none"> ○ 10 Primary Care Providers. ○ 15 Specialists. ○ 8 Midlevel Provider. ○ 1 Ancillary Providers. 	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
10. b. STANDING COMMITTEE UPDATES – HEALTH CARE QUALITY COMMITTEE			
S. O'Brien	<p>The HCQC was held on January 16, 2020.</p> <p>Topics discussed were:</p> <ul style="list-style-type: none"> • The Committee was provided an overview of Medi-Cal Healthier CA for All. • Reviewed and approved the revised Utilization Management P&P's. • Presented the Population Health Management Overview to the Committee. • Reviewed and discussed the Utilization Management Outpatient and Inpatient Utilization reports. • Pharmacy <ul style="list-style-type: none"> ○ Discussed DUR report 3rd quarter 2019. 	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	

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	<ul style="list-style-type: none"> ○ Reported Opioid Utilization - trending downward month over month in the 4th quarter 2019. ○ TAT is 100%. 		
11. UNFINISHED BUSINESS			
E. Seevak	None	Informational update to the Board of Governors. Motion and vote not required.	
12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS			
Dr. Seevak	Alliance Next steps: <ul style="list-style-type: none"> • Continue discussion: Medi-Cal Healthier California for All (CaAIM). • Update on HEDIS approach. • Update on Pediatric Pilot. 	None	None
13. PUBLIC COMMENTS (NON-AGENDA ITEMS)			
Dr. Seevak	None	None	None
14. ADJOURNMENT			
Dr. Seevak	The meeting was adjourned at 2:03 PM.	None	

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