

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

**May 8, 2020  
12:00 PM – 2:00 PM  
(Video Conference Call)  
Alameda, CA**

**SUMMARY OF PROCEEDINGS**

**Board of Governors on Conference Call:** Dr. Evan Seevak (Chair), Rebecca Gebhart (Vice Chair), Dr. Noha Aboelata, Aarondeep Basrai, Dr. Rollington Ferguson, Marty Lynch, Delvecchio Finley, David B. Vliet, Wilma Chan, Nicholas Peraino, Dr. Michael Marchiano, Feda Almaliti, Dr. Kelley Meade

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

**Guest Speakers:** None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER</b>			
Dr. Seevak	The regular board meeting was called to order by Dr. Seevak at 12:06 PM.	None	None
<b>2. ROLL CALL</b>			
Dr. Seevak	A telephonic roll call was taken of the Board Members, and a quorum was confirmed.	None	None
<b>3. AGENDA APPROVAL OR MODIFICATIONS</b>			
Dr. Seevak	None	None	None
<b>4. INTRODUCTIONS</b>			
Dr. Seevak	Introduction of Board Members, Staff, and Guests was completed.	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
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**5. CONSENT CALENDAR - APRIL 2020 BOARD OF GOVERNORS MEETING MINUTES**

Dr. Seevak	Motion to approve the April 2020 Board of Governors Meeting Minutes as presented.	<u>Motion:</u> Marty Lynch <u>Second:</u> Supervisor Chan  <u>Vote:</u> Yes  No opposed or abstained.	None
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**6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY COMMITTEE**

R. Gebhart	<p>The Compliance Advisory Committee was held telephonically on May 8, 2020, at 10:30 AM and discussed the compliance dashboards.</p> <p>Rebecca Gebhart gave the following updates:</p> <p>Dr. Seevak attended the meeting.</p> <p>Four (4) dashboards were reviewed and the Committee focused on changes since the prior April meeting. The Committee also discussed organizational compliance and shared some themes they are seeing in the managed care compliance given the COVID-19 situation.</p> <p>2020 DMHC medical services audit (follow up from 2018 audit):</p> <ul style="list-style-type: none"> <li>• We still have not received DMHC audit information yet. Most self-identified issues were in documentation and the Alliance is implementing processes to correct and meet regulatory compliance.</li> <li>• A requirement for the plan is to ensure 100% of non-contracting hospitals in California have our contact information for timely authorizations, targeting to complete by August 2020.</li> </ul> <p>2019 DMHC financial audit:</p> <ul style="list-style-type: none"> <li>• State identified 5 findings and the Alliance should receive the report about August or September.</li> <li>• 3 of the 5 findings have been completed. The Alliance continues to</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
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	<p>work on the 2 remaining findings.</p> <p>2019 Department of Health Care Services (DHCS) medical audit:</p> <ul style="list-style-type: none"> <li>• There were 25 findings and most are complete.</li> <li>• The State is requesting the Alliance to improve referral tracking. A report has been created to track all specialty services that require authorization. This report will help track members that are using out of network services to try to move them to in-network services.</li> </ul> <p>2018 DHCS medical services audit:</p> <ul style="list-style-type: none"> <li>• 11 of 12 self-identified items are updated.</li> <li>• 1 outstanding self-identified item is the Memorandum of Understanding (MOU) used by Alameda County, which defines the services by the Alliance and Alameda County.</li> <li>• The second item is the Initial Health Assessment (IHA) required for each member and the codes used. The State wants know if we look at these health assessment codes annually so the Alliance put in procedure to do so.</li> </ul> <p>Question:</p> <ul style="list-style-type: none"> <li>• How has COVID-19 affected compliance?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>• There is more contact with the State and flexibility and postponement of audits.</li> </ul> <p>Operation Dashboard:</p> <ul style="list-style-type: none"> <li>• Last month there were four(4) expedited appeals, one appeal did not met the requirements so on the Alliance dashboard there will be a red mark.</li> </ul> <p>Future Audits:</p> <ul style="list-style-type: none"> <li>• DHCS annual medical audit – June is postponed due to COVID-19.</li> <li>• Department of Managed Health Care (DMHC) medical routine audit – October 12.</li> </ul>		

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	Today is Diana Sekhon's last day and Rebecca thanked her for all the outstanding work at the Alliance and in compliance.		
<b>6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE</b>			
Dr. Ferguson	<p>The Finance Committee was held telephonically on Tuesday, May 5, 2020</p> <p>Dr. Ferguson gave the following updates:</p> <p>Finance Issues:</p> <ul style="list-style-type: none"> <li>• The TNE continues to be significantly higher than required.</li> <li>• Membership decline has fallen off for the month of March.</li> <li>• MLR remains high at 91.9% for the month of March.</li> <li>• Financially the Alliance is trending well.</li> <li>• A large portion of the meeting was spent discussing the Safety-Net Sustainability Fund Presentation and the Finance Committee supports its goals.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
<b>7. CEO UPDATE</b>			
S. Coffin	<p>Scott Coffin presented the following CEO updates (pages 19 to 22):</p> <p>March 2020 – Financial Performance &amp; Operating metrics:</p> <ul style="list-style-type: none"> <li>• There are two red indicators on the Operations Dashboard, one is in expedited appeals in which Rebecca reported out and the other is in HR in which our vacancies are at 11%. Given the COVID-19 circumstances, these are understandable.</li> </ul> <p>Potential changes to Medi-Cal program transitions:</p> <ul style="list-style-type: none"> <li>• There has been no updates at this time regarding the direction of the CalAIM program.</li> <li>• The State of California, Department of Health Care Services, is seeking a one-year extension of the 1115 and 1915 Waivers, as they currently expire 12/31/2020.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	

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	<ul style="list-style-type: none"> <li>DHCS has confirmed that pharmacy will still be transitioning back to the state for oversight except physician administered drugs and is on track to do so by 1/1/2021. The Alliance is in the planning stages now.</li> </ul> <p>COVID-19 Operations:</p> <ul style="list-style-type: none"> <li>An update was given regarding the current COVID-19 situation. There are 1917 positive cases in Alameda County, 67 fatalities, 60 Alliance members positive, 93 admissions, and 26,000 COVID-19 tests have been given in Alameda County with a 7% positive rate.</li> <li>Governor Newsom is revising the budget as there is an estimated \$54.0M deficient due to the COVID-19 event. Medi-Cal applications have gone up in Alameda County. There will be an influx of membership and how this affects the Alliance will be shared in the pulmonary budget. In the month of April, Core operations were down except pharmacy.</li> <li>90% of the Alliance staff is working remotely and the transition occurred in 11 days. 10% of employee's remain on site for mail and core duties.</li> <li>The Alliance contracted with a telehealth service provider called Tele-Doc in April 2020, and members have access to more than 2500 nationwide physicians.</li> </ul> <p>Question:</p> <ul style="list-style-type: none"> <li>Is this for members that don't have primary services?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>The implementation of telehealth services is to meet regulation guidelines.</li> <li>During National Nurses Week, the Alliance met virtually and celebrated with the Alliance's 30 Registered Nurses. The theme this year is – compassion, expertise, and trust.</li> </ul>		

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	<p>Budgeting and Forecasting – Fiscal Year 2020/2021</p> <ul style="list-style-type: none"> <li>Fiscal year 2021 preliminary budget is on track for presenting at the June 2020 Board of Governors meeting next month.</li> <li>DHCS is delaying the release of rates for next year due to the COVID-19 until September.</li> <li>Revision to the presentation of the final Alliance budget for a vote by the Board will be in October or November, depending on when the DHCS delivers the rates.</li> </ul> <p>Questions:</p> <ul style="list-style-type: none"> <li>Pharmacy Question – Is the pharmacy being delayed?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>No, the pharmacy is not being delayed as it was a separate initiative from CalAIM.</li> </ul>		
<b>8. a. BOARD BUSINESS – REVIEW AND APPROVE MARCH 2020 MONTHLY FINANCIAL STATEMENTS</b>			
G. Riojas	<p>Gil Riojas gave the following Finance updates:</p> <p>Enrollment:</p> <ul style="list-style-type: none"> <li>For the month ending March 31, 2020, the Alliance had enrollment of 246,907 members, a Net Income of \$2.8M and Tangible Net Equity is 607%.</li> <li>Our enrollment has increased 563 members since February 2020.</li> </ul> <p>Net Income:</p> <ul style="list-style-type: none"> <li>For the month ending March 31, 2020, the Actual Net Income was \$487,000 and the Budgeted Net Income was \$2.8M.</li> <li>Year-to-Date (YTD) ending March 31, 2020 the actual YTD net income was \$18.7M and the budgeted YTD net income was \$3.3M. The Favorable variance is due to higher than anticipated revenue and lower administrative expenses.</li> </ul>	<p><u>Motion:</u> Dr. R. Ferguson <u>Second:</u> Feda Almaliti</p> <p>Motion passed by roll call.</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	

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	<p>Revenue:</p> <ul style="list-style-type: none"> <li>For the month ending March 31, 2020, the actual revenue was \$87.3M vs the budgeted revenue of \$77.7M.</li> <li>The favorable variance is due to higher than anticipated Proposition 56 Revenue, Behavioral Health Therapy (BHT) supplemental payments, and base capitation.</li> </ul> <p>Medical Expense:</p> <ul style="list-style-type: none"> <li>For the month ending March 31, 2020, actual medical expenses were \$80.2M vs. our budgeted medical expense of \$73.0M.</li> <li>Actual YTD medical expenses was \$676.4M vs. budgeted YTD medical expense amount of \$660.6M.</li> </ul> <p>Medical Loss Ratio (MLR):</p> <ul style="list-style-type: none"> <li>For the month ending March 31, 2020, the MLR was 92.4% vs year-to-date of 91.9%. Due to COVID-19, the MLR is forecasted to decrease.</li> </ul> <p>Administrative Expense:</p> <ul style="list-style-type: none"> <li>For the month ending March 31, 2020, Actual administrative expenses were \$4.6M vs budgeted administrative expense \$5.1M.</li> <li>Actual administrative expense YTD is \$40.3M vs. budgeted \$45.3M.</li> <li>With the COVID-19 Work from Home deployment, overtime expenses, and other expenses our administrative budget should increase and be closer to the actual budgeted amount.</li> </ul> <p>Other Income / (Expense):</p> <ul style="list-style-type: none"> <li>As of March 31, 2020, our YTD interest income from investments is \$3.9M, and YTD claims interest expense is \$236,000.</li> <li>With the market interest change due to COVID-19, investment income is intended to reduce.</li> </ul> <p>Tangible Net Equity (TNE):</p> <ul style="list-style-type: none"> <li>Tangible net equity results continue to remain healthy, and at the end of March 31, 2020, the TNE was reported at 607% of the</li> </ul>		

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	<p>required amount, which is the highest in the last 12 months.</p> <p>Cash Position and Assets:</p> <ul style="list-style-type: none"> <li>For the month ending March 31, 2020, \$210.6M reported in cash; \$81.1M is uncommitted cash. Our current ratio is above the minimum required at 1.74, as compared to the regulatory minimum of 1.0.</li> </ul> <p>Motion to approve the March 2020 financial report as presented</p>		
<b>8. b. BOARD BUSINESS – SAFETY-NET SUSTAINABILITY FUND</b>			
S. Coffin	<p>Scott presented the Safety-Net Sustainability Fund to the Board of Governors.</p> <p>The Safety-Net Sustainability Fund presentation included an overview of the following information:</p> <ul style="list-style-type: none"> <li>Eligibility</li> <li>Grant Mythology</li> <li>Funding the Frontline Safety-Net Providers</li> <li>Payment timeline: May – October 2020</li> <li>Accelerated Payments</li> <li>Considerations</li> <li>Next Steps</li> </ul> <p>Questions:</p> <ul style="list-style-type: none"> <li>The 20% going to the COVID-19 testing, what amount is going to hospitals in dollars</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>We do not have that information at the moment, as the applications have not been submitted by safety-net providers</li> </ul>	<p><u>Motion 1</u>: David B. Vliet Second: Dr. Evan Seevak</p> <p>Motion passed by roll call.</p> <p><u>Vote</u>: Yes</p> <p>No opposed or abstained.</p> <p><u>Motion 2</u>: David B. Vliet Second: Dr. Evan Seevak</p> <p>Motion passed by roll call.</p> <p><u>Vote</u>: Yes</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<p>Questions:</p> <ul style="list-style-type: none"> <li>Is giving money to facilities for the enhancement of their current testing site?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>The amount could be used a number of ways, to expand the current sites or expand to a hospital or physician office.</li> </ul> <p>Questions:</p> <ul style="list-style-type: none"> <li>Can some of the monies be used for other crisis management, as follow-up and tracing?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>The purpose is for testing but with flexibility.</li> </ul> <p>Board of Governor Motions:</p> <p><u>Motion 1</u>: To authorize CEO to create an emergency crisis fund, allocating \$16.6 million dollars from the financial reserves, and distribute to eligible safety-net providers between May and October of 2020.</p> <p><u>Motion 2</u>: To authorize CEO to accelerate a budgeted payment of up to \$4.8 million dollars in quality incentives, paying to eligible providers in July 2020.</p>	No opposed or abstained.	
<b>9. a. STANDING COMMITTEE UPDATES – PEER REVIEW AND CREDENTIALING COMMITTEE</b>			
Dr. O'Brien	<p>The Peer Review and Credentialing Committee (PRCC) was held telephonically on April 21, 2020.</p> <p>Dr. O'Brien gave the following updates:</p> <ul style="list-style-type: none"> <li>At the Peer Review and Credentialing (PRCC) meeting held on April 21, 2020, there were twenty-three (23) initial providers</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	

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	<p>approved; three (3) Primary Care Providers, six (6) Specialists, one (1) Ancillary provider, and thirteen (13) Mid-level providers.</p> <ul style="list-style-type: none"> <li>• Additionally, thirty-six (36) providers were re-credentialed at this meeting; ten (10) Primary Care Providers, sixteen (16) specialists, one (1) Ancillary provider, and nine (9) Mid-level providers.</li> </ul>		
<b>10. STAFF UPDATES</b>			
S. Coffin	None	None	None
<b>11. UNFINISHED BUSINESS</b>			
S. Coffin	<p>Alliance Next steps:</p> <p>None</p>	None	None
<b>12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS</b>			
Dr. Seevak	<ul style="list-style-type: none"> <li>• The decision for the Board of Governors to meet remotely in June will be communicated to the Board Members by the end of May.</li> </ul>	None	None
<b>13. PUBLIC COMMENTS (NON-AGENDA ITEMS)</b>			
Dr. Seevak	None	None	None
<b>14. ADJOURNMENT</b>			
Dr. Seevak	Dr. Seevak adjourned the meeting at 2:00 PM.	None	None

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