

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

**July 10, 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, Nicholas Peraino, Wilma Chan, Dr. Michael Marchiano, Feda Almaliti, Dr. Kelley Meade

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

Board Members Excused: David B. Vliet

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 12:00 PM.	None	None
2. ROLL CALL			
Dr. Seevak	A telephonic roll call was taken of the Board Members and a quorum was confirmed.	None	None
3. AGENDA APPROVAL OR MODIFICATIONS			
Dr. Seevak	None	None	None
4. INTRODUCTIONS			
Dr. Seevak	Introduction of Board Members, Staff, and Guests was completed.	None	None

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5. CONSENT CALENDAR

<p>Dr. Seevak</p>	<p>Dr. Seevak presented the Consent Calendar.</p> <ul style="list-style-type: none"> • June 12, 2020 Board of Governors Meeting Minutes. • 2020 Procurement Policy VMG-04_Policy and Procedure. <ul style="list-style-type: none"> • Update on Procurement Policy. <p>Motion to Approve June 12, 2020 Board Of Governors Meeting Minutes.</p> <p>A vote by roll call was taken and the motion passed.</p> <p>Motion to Approve 2020 Procurement Policy VMG-04_Policy And Procedure.</p> <p>A vote by roll call was taken and the motion passed.</p>	<p><u>Motion to Approve June 12, 2020 Board Of Governors Meeting Minutes.</u></p> <p><u>Motion:</u> M. Lynch <u>Second:</u> Dr. K. Meade</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p> <p><u>Motion to Approve 2020 Procurement Policy VMG-04_Policy And Procedure.</u></p> <p><u>Motion:</u> A. Basrai <u>Second:</u> Dr. R. Ferguson</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	<p>None</p>
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6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY COMMITTEE

<p>R. Gebhart</p>	<p>The Compliance Advisory Committee was held telephonically on July 10, 2020, at 10:30 AM.</p> <p>Dr. Seevak and Fedal Almaliti attended the meeting.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
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AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<p>Rebecca Gebhart gave the following updates:</p> <p>2020 DMHC Medical Services Audit (follow-up from 2018 and 2019 audits):</p> <ul style="list-style-type: none"> • 2018 audit there were 12 original deficiencies. • These were reviewed in 2019 and again in 2020. • The State is interpreting that 5 deficiencies are still not corrected. • The Alliance audited all 5 of the deficiencies in detail. Deficiencies were: <ul style="list-style-type: none"> ○ The Alliance interpreted one member’s communication as a request for information but the State is interpreting it as a complaint. This is a difference of option. ○ Timing of when we solved the problem and when the States look back period occurred. ○ The Alliance misinterpreted the problem and had to go back and solve the correct problem. <p>Lesson learned:</p> <ul style="list-style-type: none"> • We need to clearly understand the deficiencies. • Communicate with our regulators timely regarding deficiencies. • Continue to increase the level of internal control to solve, monitor, and track deficiencies. <p>Audit report will be published today.</p> <p>Question:</p> <ul style="list-style-type: none"> • At this point, I would suggest to accept regulators opinions and move forward. <p>Answer:</p> <ul style="list-style-type: none"> • Yes, we need to move forward and understand the regulators opinions. <p>NCQA Accreditation status:</p> <ul style="list-style-type: none"> • In a review this spring we passed on both lines of business except for a Notice of Authorization (NOA) in Utilization Management. • The Alliance requested a re-review and asked for a Corrective Action Plan (CAP) on the NOA. 		

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	<ul style="list-style-type: none"> We were granted a CAP on July 1, and we are now accredited on both lines of business for the next 3 years. We will continue to report to the Board on the work and solutions of the CAP. <p>HEDIS Update:</p> <ul style="list-style-type: none"> Tiffany reported on the HEDIS score card. 		
6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE			
Dr. Ferguson	<p>The Finance Committee was held telephonically on Tuesday, July 7, 2020.</p> <p>Dr. Ferguson gave the following updates:</p> <p>Finance Issues:</p> <ul style="list-style-type: none"> Dr. Ferguson expressed concerns about the Safety-Net Sustainability Fund as the Alliance is expected to be at a loss for the upcoming fiscal year and questioned if the Alliance should continue with the Safety-Net Sustainability Fund grants. Scott's report today will be updating the Board on the Safety-Net Sustainability Fund and it was decided to wait to discuss this issue until then. The administrative expense has increased and Gil will report on this increase during his report. 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
7. CEO UPDATE			
S. Coffin	<p>Scott Coffin presented the following CEO updates.</p> <p>Announcements:</p> <ul style="list-style-type: none"> Ruth Watson, Chief of Projects started in mid-June 2020. Richard Golfin, III, Chief of Compliance will start July 13, 2020. 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	

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	<p>California State Budget & Economic Impacts:</p> <ul style="list-style-type: none"> • Governor Newsom, signed the State Budget in June, but there is a potential for an August revise. This would have an impact to funding and covered services in the Medi-Cal program. • A trailer bill is being passed that authorizes DHCS to reduce capitated rates and to implement a risk corridor. • Medi-Cal enrollment has increased by nearly 12,000 members (March through June), primarily driven by higher unemployment. • The DHCS Pharmacy transition is on schedule for January 1, 2021. • A new Medi-Cal benefit which starts January 2021 is “Long-Term Care at Home”. Guidance and details to be rolled out in the future. • Benefit change to occur in non-medical transportation from a 1-day notice to a 5-day notice. Communications will be sent to the Board and providers as the changes occur. • The Alliance staff continues to work remotely through the end of the year. The Alliance is following Alameda County Public Health Department guidance and advice. We are keeping close track of current situations to stay compliant and following steps necessary to be safe. <p>Compliance Virtual Audits:</p> <ul style="list-style-type: none"> • Annual DHCS Medical Survey, October 2020 • DMHC Medical Survey, April 2021 		
8. a. BOARD BUSINESS – DISCUSSION AND VOTE			
Dr. Seevak	<ul style="list-style-type: none"> • Board Member vote for Consumer Member Seat – Natalie Williams. • Board Member vote for Labor Stakeholders Seat – SEIU United Healthcare Workers West – Byron Lopez. 	<p><u>Motion to Approve Board Member vote for Consumer Member Seat</u></p> <p><u>Motion:</u> Marty Lynch</p>	None

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	<p>A motion was made to accept Natalie Williams in the Consumer Member Seat.</p> <p>A vote by roll call was taken and the motion passed.</p> <p>A motion was made to accept Byron Lopez in the Labor Stakeholder Member Seat.</p> <p>A vote by roll call was taken and the motion passed.</p>	<p><u>Second:</u> Feda Almaliti</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p> <p><u>Board Member vote for Labor Stakeholders Seat – SEIU United Healthcare Workers West</u></p> <p><u>Motion:</u> Dr. Ferguson <u>Second:</u> Dr. Marchiano</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	
CHANGE IN AGENDA ITEMS			
	<p>Marty Lynch asked that the Finance Report be moved before the Safety-Net Sustainability Fund Report.</p> <p>The Agenda was modified to reflect that Board Business 8b and 8c were interchanged on the agenda.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None
8. b. BOARD BUSINESS – REVIEW AND APPROVE MAY 2020 MONTHLY FINANCIAL STATEMENTS			
G. Riojas	<p>Gil Riojas gave the following May Finance updates:</p> <p>Enrollment:</p> <ul style="list-style-type: none"> For the month ending May 31, 2020, the Alliance had enrollment of 	<p><u>Motion:</u> Dr. Ferguson <u>Second:</u> Feda Almaliti</p>	

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	<p>252,971 members, a Net Income of \$1.6M and the Tangible Net Equity is 628%.</p> <ul style="list-style-type: none"> • Our enrollment has increased 3,720 members since April 2020. <p>Net Income:</p> <ul style="list-style-type: none"> • For the month ending May 31, 2020, the Actual Net Income was \$1.6M and the Budgeted Net Loss was \$263,000. • Year-to-Date (YTD) ending May 31, 2020 the actual YTD net income was \$20.4M and the budgeted YTD net income was \$2.8M. The favorable variance is due to higher than anticipated revenue and lower than anticipated medical expenses. <p>Revenue:</p> <ul style="list-style-type: none"> • For the month ending May 31, 2020, the actual revenue was \$79.8M vs. the budgeted revenue of \$77.2M. • For the year-to-date, the Alliance recorded revenue of \$883.8M vs. budgeted revenue of \$860.7M. <p>Medical Expense:</p> <ul style="list-style-type: none"> • For the month ending May 31, 2020, actual medical expenses were \$69.1M vs. our budgeted medical expense of \$72.8M. • Actual YTD medical expenses was \$813.0M vs. budgeted YTD medical expense of \$806.2M. <p>Medical Loss Ratio (MLR):</p> <ul style="list-style-type: none"> • For the month ending May 31, 2020, the MLR was 86.6% vs. year-to-date of 92.0%. <p>Administrative Expense:</p> <ul style="list-style-type: none"> • For the month ending May 31, 2020, actual administrative expenses were \$9.3M vs. budgeted administrative expense \$5.0M. • Actual administrative expense YTD is \$54.1M vs. budgeted \$55.4M. • The increase in this month's Administrative Expense is primarily due to the Safety-Net Sustainability Funding. The \$5 million was 	<p>Motion passed by roll call.</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	

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	<p>allocated as an Administrative Expense due to State criteria.</p> <p>Other Income / (Expense):</p> <ul style="list-style-type: none"> As of May 31, 2020, our YTD interest income from investments is \$4.4M, and YTD claims interest expense is \$304,000. <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 May 31, 2020, the TNE was reported at 628% of the required amount. <p>Cash Position and Assets:</p> <ul style="list-style-type: none"> For the month ending May 31, 2020, \$276.3M reported in cash; \$140.7M is uncommitted cash. Our current ratio is above the minimum required at 1.77, as compared to the regulatory minimum of 1.0. <p>Risk Corridor Overview:</p> <ul style="list-style-type: none"> Gil presented a Risk Corridor Overview Presentation. <p>Questions:</p> <ul style="list-style-type: none"> The \$10.0M that we are accruing this month, where are you putting that in the expenses? <p>Answer:</p> <ul style="list-style-type: none"> It is not reported as an expense, it is reported as a deduction to our revenue. <p>Motion to approve the May 2020 financial report as presented.</p> <p>A vote by roll call was taken and the motion passed.</p>		
8. c. BOARD BUSINESS – SAFETY-NET SUSTAINABILITY FUND			
S. Coffin	<p>Scott presented the update report of the Safety-Net Sustainability Fund to the Board of Governors.</p> <p>This report of the Safety-Net Sustainability Fund is an update for the month</p>	<p><u>Motion to table this agenda item until the Alliance can seek legal counsel.</u></p>	None

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	<p>of May 2020.</p> <ul style="list-style-type: none"> Total of 30 applications were received in the month of May. 17 of these applications were eligible and 13 ineligible for this program. After reviewing, approximately \$4.2 million was awarded for the first month, May 2020. Confirmation emails have been sent to awardees and the payments are going out in July, 2020. We have received applications for June and these have been completed, evaluated, and scored. <p>Questions:</p> <ul style="list-style-type: none"> Is there a conflict of interest because some of the Board entities have received awards? Should these Board members recuse themselves? <p>Answer:</p> <ul style="list-style-type: none"> It was decided there was a conflict of interest and a special meeting would take place after the Alliance seeks legal counsel on the above questions? <p>Motion to table this agenda item until the Alliance can seek legal counsel regarding Board members needing to recuse themselves from voting on this issue.</p> <p>A vote by roll call was taken and the motion passed.</p> <p>A Special Board Meeting will be set within a couple of weeks after legal opinion is received from general counsel.</p>	<p><u>Motion:</u> Marty Lynch <u>Second:</u> Wilma Chan</p> <p>Motion passed by roll call.</p> <p><u>Vote:</u> Yes</p> <p>Dr. Ferguson abstained.</p>	
8. d. BOARD BUSINESS – REVIEW AND APPROVE PUBLIC STATEMENT OPPOSING STRUCTURAL RACISM			
S. Coffin	Scott presented the Public Statement Opposing Structural Racism to the Board of Governors.	<u>Motion:</u> Marty Lynch <u>Second:</u> Dr. Ferguson	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> A number of Alliance Staff read the Statement out loud. <p>Motion to approve the Public Statement Opposing Structural Racism and publicize the statement.</p> <p>A vote by roll call was taken and the motion passed.</p>	<p>Motion passed by roll call.</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	
9. a. STANDING COMMITTEE UPDATES – PEER REVIEW AND CREDENTIALING COMMITTEE			
Dr. O'Brien	<p>The Peer Review and Credentialing Committee (PRCC) was held telephonically on June 16, 2020.</p> <p>Dr. O'Brien gave the following updates:</p> <ul style="list-style-type: none"> There were twelve (12) initial providers approved; including three (3) Primary Care Providers. Additionally, nineteen (19) providers were re-credentialed at this meeting; five (5) Primary Care Providers. 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
9. b. STANDING COMMITTEE UPDATES – PHARMACY AND THERAPEUTICS COMMITTEE			
Dr. O'Brien	<p>The Pharmacy And Therapeutics Committee (P&T) was held telephonically on June 16, 2020.</p> <p>Committee Medical Updates:</p> <ul style="list-style-type: none"> Reviewed the efficacy, safety, cost, and utilization profiles of: <ul style="list-style-type: none"> Twenty eight therapeutic categories. Approved thirteen formulary modifications. 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> ○ Thirty - four prior authorization guidelines. • Care and cost initiatives: <ul style="list-style-type: none"> ○ Pharmacy <ul style="list-style-type: none"> ▪ Temporary Pharmacy edits in place due to COVID-19 (early refills, out of network pharmacies, expanded list of 90 day supply). ▪ These temporary Pharmacy edits expire the end of July. • Physician Administered Drugs (PAD): <ul style="list-style-type: none"> ○ Working with providers regarding <ul style="list-style-type: none"> ▪ Biosimilar use. ▪ Site of care. ▪ Channel Management. ○ More information in the future • Interpreter service changes: <ul style="list-style-type: none"> ○ Cyracom is our new primary interpreter vendor <ul style="list-style-type: none"> ▪ In-person interpreters. ▪ 5-day notice for routine requests via fax. ▪ Indications for in-person: ASL & sensitive services. 		
9. c. STANDING COMMITTEE UPDATES – CONSUMER ADVISORY COMMITTEE			
S. Coffin	<p>The Consumer Advisory Committee (MAC) was held telephonically on June 18, 2020.</p> <p>Topics discussed were:</p> <ul style="list-style-type: none"> • Alliance Finances for May and the Preliminary 2021 Budget update. • The Communications and Outreach department updated activities 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<p>from January to March.</p> <ul style="list-style-type: none"> • Incident Command updated on COVID-19 crises, the effect on the staff, and the impact to Alliance operations. • The Pharmacy department updated on the January 2021 Pharmacy transition. • Grievances and Appeals department gave an update. • A Cultural Linguistic report was presented. • Discussed the new telephonic interpreter services. • The Quality Improvement department reported on Timely Access. 		
10. STAFF UPDATES			
S. Coffin	None	None	None
11. UNFINISHED BUSINESS			
S. Coffin	<p>Alliance Next steps:</p> <p>None</p>	None	None
12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS			
Dr. Seevak	None	None	None
13. PUBLIC COMMENTS (NON-AGENDA ITEMS)			
Dr. Seevak	None	None	None
14. ADJOURNMENT			
Dr. Seevak	Dr. Seevak adjourned the meeting at 2:17 PM.	None	None

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