

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

April 10, 2020
12:00 PM – 2:00 PM
Regular Board Meeting (conference call)
1240 S. Loop Road, 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

Excused: 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
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
4. INTRODUCTIONS			
Dr. Seevak	Introduction of Board Members, staff, and guests was completed.	None	None

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5. CONSENT CALENDAR - MARCH 2020 BOARD OF GOVERNORS MEETING MINUTES

Dr. Seevak	Motion to approve the March 2020 Board of Governors Meeting Minutes as presented.	Motion: M. Lynch Second: W. Chan Vote: 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 April 10, 2020 at 10:30am and discussed the below compliance dashboards.</p> <p>Rebecca Gebhart gave the following updates:</p> <p>Dr. Evan Seevak also attended the meeting.</p> <p>2020 DMHC Medical Services Audit (follow up from 2018 audit):</p> <ul style="list-style-type: none"> • The Alliance has not received any audit findings back from DMHC but we have found 7 self-identified issues that we are correcting. • The issues were: <ul style="list-style-type: none"> ○ PQIs were being misclassified. ○ Failure to accurately identify grievances. ○ Utilization Management notification issues: Lack of clear denial reasons, phone number, and all regulatory statements are attached to documents. ○ Access to emergency services: The Alliance needs to make sure all hospitals across the state have our correct contact information. <p>2019 DHCS Medical Audit correction action plan.</p> <ul style="list-style-type: none"> • The final report should be received from DHCS after June 30. <p>2019 DMHC Financial Audit:</p> <ul style="list-style-type: none"> • 3 corrective items are being reviewed. 	<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
	Future Audits: <ul style="list-style-type: none"> • DHCS Annual Medical Audit – June. • DMHC Medical Routine Audit – October 12. • NCQA Accreditation Review – June 1-2, will be submitting documentation in April. 		
6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE			
Dr. Ferguson	The Finance Committee was held telephonically on Tuesday, April 7, 2020. Dr. Ferguson gave the following updates: Finance Issues: <ul style="list-style-type: none"> • The financial health of the Alliance continues to be positive. • Medi-Cal membership enrollment continues to decline and continues to be an issue. • MLR is above target at 94.2% for the month and 92.5% for the year to date. • TNE is 603% which is the highest it has been in the last 12 months. 	Informational update to the Board of Governors. Vote not required.	
7. CEO UPDATE			
S. Coffin	Scott Coffin gave the following CEO updates (pages 20 and 21): February 2020 – Financial Performance & Operating Metrics <ul style="list-style-type: none"> • The Alliance financial forecast is positive but the decline in membership has continued. Due to COVID-19 there could be an increase in Medi-Cal Membership. • Operations Dashboard – there are five measures in red and 4 are below our internal standards. The one regulatory measure that is in 	Informational update to the Board of Governors. Vote not required.	

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	<p>red status is encounter data. We received 5,000 claims and 80% came from Kaiser Permanente, 20% were corrected and resubmitted claims.</p> <p>Question:</p> <ul style="list-style-type: none"> • Why was there a large amount of claims from Kaiser? <p>Answer:</p> <ul style="list-style-type: none"> • The large amount of claims from Kaiser could be a clean-up process that they do and then submit all at once. <p>There was a discussion around contacting Anthem and working with them to let the public know that they might be available to apply for Medi-Cal. Instead of Anthem, Covered California was another suggestion. Scott is going to consider the information and determine next steps.</p> <p>COVID – 19 Operational Readiness</p> <ul style="list-style-type: none"> • An Incident Commandment Center was established to coordinate the work efforts and communications (members, providers, staff), resulting in a relocation of nearly 300 staff into remote working. The transition was completed in 11 days at an approximate cost of \$333 per employee, which added up to \$100K in unbudgeted costs. • A group of local doctors have been contracted to support the Nurse Advice line, assisting members with questions about their flu or COVID – 19 symptoms. Members would speak to a Nurse first and then be escalated to an on-call physician (24 hours per day, 7 days a week). • The Alliance is in process of implementing a long-term telehealth solution which was requested by the DHCS and is to be completed by the end of May. • Current outbound personal wellness call campaign starting today and continues for the next 3 weeks to members 65 and over that are at a high risk of catching COVID-19 due to age and underlying medical conditions. The phone calls will be automated and in the English and Spanish language. The calls will provide resources such as, the Nurse Advice Line and food delivery resources. This is a non-budgeted new service and is funded by the Alliance. • The Alliance is working on supporting and helping our community 		
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	<p>partners by finding ways to help with the short falls that might happen. We will review with the DHCS and report back to the Board.</p> <p>POTENTIAL CHANGES TO MEDI-CAL PROGRAM TRANSITIONS</p> <ul style="list-style-type: none"> • The California State fiscal budget has been severely impacted by unplanned expenses to fight the COVID-19 virus, and may impact the funding to implement the CalAIM program. The Pharmacy transition is proceeding, due date 1/2021. • The State of California may seek a one-year extension of the 1115 and 1915 Waivers from CMS, which are currently expiring 12/31/2020. <p>BUDGETING AND FORECASTING – FISCAL YEAR 2020/2021</p> <ul style="list-style-type: none"> • The Alliance team is in the middle of the Fiscal Year 2021 budget planning which will continue through early May. The preliminary budget is being presented to the Board of Governors at the June Board Meeting and the final budget will be presented for a vote at the September Board Meeting. • The financial impact of COVID-19 will be factored into the preliminary budget, and COVID-19 costs will be added in the final budget. • The preliminary budget assumes the CalAIM initiatives and other changes to Medi-Cal (e.g. Pharmacy transition to State of California) occur as indicated on the timeline, and would be adjusted in the final budget based on confirmation from authorized personnel at the State of California. <p>The Death Audit was discussed in regards to the proactive steps the Alliance could take to be ahead of the issue if it should occur again. The concern was due to COVID-19, where there might be a number of member's deaths that would not be recorded or removed from our enrollment until a later time and this again would affect our financials.</p>		

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8. BOARD BUSINESS – REVIEW AND APPROVE FEBRUARY 2020 MONTHLY FINANCIAL STATEMENTS			
G. Riojas	<p>Gil Riojas gave the following Finance updates:</p> <p>Enrollment (Page 39):</p> <ul style="list-style-type: none"> For the month ending February 29, 2020, the Alliance had enrollment of 246,344 members, a Net Income of \$487,000 and Tangible Net Equity is 603%. Comment: Going forward for the rest of the year there could be a potential change in enrollment and medical expenses. Our enrollment has decreased about 117 members since January 2020. Reductions continue in the Adult and Child and Optional Expansion categories of aid are consistent over the last 12 months. SPDs, Duals, and Group Care Program remain flat. <p>Net Income: (Page 42):</p> <ul style="list-style-type: none"> For the month ending February 29, 2020, the Actual Net Income was \$487,000 and the Budgeted Net Income was \$244,000. For the year-to-date (YTD) ending February 29, 2020 the Actual YTD Net Income was \$15.9M and the Budgeted YTD Net Income was \$3.5M. The Alliance is well above the Year to Date Income. The Favorable variance is due to higher than anticipated Revenue, lower Administrative Expenses. <p>Revenue:</p> <ul style="list-style-type: none"> For the month ending February 29, 2020, the Actual Revenue was \$79.0M vs the Budgeted Revenue of \$77.6M. The Favorable variance is due to higher than anticipated Prop 56 Revenue, Behavioral Health Supplemental payments, and Base Capitation. <p>Medical Expense (Page 43):</p> <ul style="list-style-type: none"> For the month ending February 29, 2020, Actual Medical Expenses were \$74.40M vs. our Budgeted Medical Expense of \$72.8M. 	<p>Motion: Dr. Ferguson Second: Fedal Almaliti</p> <p>Motion passed by roll call.</p> <p>Vote: Yes</p> <p>No opposed or abstained.</p>	

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	<ul style="list-style-type: none"> • For the year-to-date, Actual YTD Medical Expenses was \$596.2M vs. Budgeted YTD Medical Expense amount of \$587.6M. • Page 45 of the Financials points out the variances that were discussed at the meeting. <p>Medical Loss Ratio (Page 45):</p> <ul style="list-style-type: none"> • For the month ending February 29, 2020, the MLR was 94.2% vs year-to-date of 92.5%. Due to COVID-19, the MLR is forecasted to decrease. <p>Administrative Expense (Page 46):</p> <ul style="list-style-type: none"> • For the month ending February 29, 2020, Actual Administrative Expenses were \$4.4M vs Budgeted Administrative Expense \$4.9M. • Actual Administrative Expense year-to-date is \$35.8M vs budgeted \$40.2M. • 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. <p>Other Income / (Expense) (Page 47):</p> <ul style="list-style-type: none"> • As of February 29, 2020, our YTD interest income from investments is \$3.6M, and YTD claims interest expense is \$216,000. • With the market interest change due to COVID -19, we anticipate our investments to go down. The Alliance is working with an investment banker. <p>Tangible Net Equity (TNE) (Page 47):</p> <ul style="list-style-type: none"> • Tangible net equity results continue to remain healthy, and at the end of February 29, 2020, the TNE was reported at 603% of the required amount, which is the highest in the last 12 months. <p>Cash Position and Assets (page 48):</p> <ul style="list-style-type: none"> • For the month ending February 29, 2020, we reported \$267.0M in cash; \$159.5M is uncommitted cash. Our current ratio is above the minimum required at 1.81 compared to the regulatory minimum of 		

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	<p>1.0.</p> <p>Question: The Alliance is anticipating in March for expenses to be down because of fewer medical expenses.</p> <p>Answer: Yes, anticipating this to be in March, April, and maybe May.</p> <p>Motion to approve the January 2020 financial report as presented.</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 March 17, 2020.</p> <p>Dr. O'Brien gave the following updates:</p> <ul style="list-style-type: none"> At the Peer Review and Credentialing (PRCC) meeting held on March 17, 2020, there were twenty-two (22) initial providers approved; seven (7) primary care provider, seven (7) specialists, one (1) ancillary providers, and seven (7) midlevel providers. Additionally, thirty-five (35) providers were re-credentialed at this meeting; eleven (11) primary care providers, twelve (12) specialists, three (3) ancillary provider, and nine (9) midlevel providers. 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
9. b. STANDING COMMITTEE UPDATES – HEALTH CARE QUALITY COMMITTEE			
Dr. O'Brien	<p>The Health Care Quality Committee (HCQC) was held telephonically on March 19, 2020.</p> <p>Dr. O'Brien gave the following updates:</p> <ul style="list-style-type: none"> Dr. Florey, Dr. Chapman, and Dr. Lisker (CFMG, County BH, and Kaiser) updated committee on active measures in handling COVID - 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	

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	<p>19 impact. The Committee shared the experience of remote working, observance of social distancing, use of telemedicine, with ongoing need for PPE and masks for frontline staff.</p> <ul style="list-style-type: none"> • 26 Policy & Procedure's (P&Ps) were submitted for committee review and approval for HCS Quality (A&A, HE, QI) and UM departments. P&Ps required regulatory compliance and minor formatting updates. • Pediatric Preventative Care Member Outreach Call Campaign: DHCS initiative is on hold given the current COVID - 19 pandemic. The Alliance will resume this effort once DHCS gives the directive with a projected outreach to about 70,000 pediatric members. • PQI IRR: January DMHC site visit, the Plan acknowledged an opportunity for improvement in the initial classification and review process of PQIs. QI Department developed and implemented a standardize PQI classification and nurse documentation systems. • Encounter Data Validation (EDV): EDV - annual study conducted by DHCS to validate claims submission data against MR encounter notes. Initiative placed on hold by DHCS due to COVID – 19 shelter in place edict. • HEDIS Record Retrieval: the Alliance has stopped all in person record retrieval due to COVID - 19. Plan requested providers to submit requested medical records via fax. • Translation Services - Alliance shifting translation services away from in-person services to telephonic services except for ASL and end-of-life discussions. Staged implementation to begin post lifting of 'shelter in place' edict. 		
9. c. STANDING COMMITTEE UPDATES – PHARMACY AND THERAPEUTICS COMMITTEE			

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Dr. O'Brien	<p>The Pharmacy and Therapeutics (P&T) Committee was held telephonically on March 17, 2020.</p> <p>Dr. O'Brien gave the following updates:</p> <ul style="list-style-type: none"> • The P&T Committee reviewed the efficacy, safety, cost, and utilization profiles of the following therapeutic categories and drug monographs at the March 17, 2020 meeting: <ul style="list-style-type: none"> ○ 32 Therapeutic/Monograph Class Reviews. ○ 25 prior authorization guideline updates. ○ 7 prior authorization guidelines reviewed but there were no updates. ○ Modifications to the formulary were made for 65 drug products. 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
9. d. STANDING COMMITTEE UPDATES – MEMBER ADVISORY COMMITTEE			
S. Coffin	<p>The Member Advisory Committee (MAC) was held telephonically on March 19, 2020.</p> <p>Scott Coffin gave the following updates:</p> <ul style="list-style-type: none"> • The meeting was a 30 minute call, Chaired by Melinda Mellow and Co-Chaired by Natalie Williams. • The CEO presented on COVID – 19, best practices to stay healthy, such as: social distancing, face masks, and hand washing. Recourses were discussed such as, the Nurse Advise line. • The MAC members were asked for their input on the Annual Population Needs Assessment which is due the end of June. The assessment will be discussed at the next MAC meeting on June 18. 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
10. STAFF UPDATES			
S. Coffin	None	None	
11. UNFINISHED BUSINESS			

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
S. Coffin	Alliance Next steps: None	None	None
12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS			
Dr. Seevak	<ul style="list-style-type: none"> • The decision for the Board of Governors to meet remotely in May will be communicated to the Board Members by the end of April. • CPT – Board Members would like a formal report and follow-up. 	None	None
13. PUBLIC COMMENTS (NON-AGENDA ITEMS)			
Dr. Seevak	None	None	
14. ADJOURNMENT			
Dr. Seevak	Dr. Seevak adjourned the meeting at 1:50 PM.	None	

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