

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

**September 11, 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, Dr. Kelley Meade, David B. Vliet, Byron Lopez, Natalie Williams

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

Board Members Excused: Feda Almaliti

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. Dr. Seevak introduced the two new Board members.	None	None
3. AGENDA APPROVAL OR MODIFICATIONS			
Dr. Seevak	None	None	None
4. INTRODUCTIONS			
Dr. Seevak	Introductions of the Board Members, Staff, and Guests were completed.	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
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5. CONSENT CALENDAR			
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Dr. Seevak	<p>Dr. Seevak presented the Consent Calendar and Scott Coffin gave an explanation of each of the below items.</p> <ul style="list-style-type: none"> a) July 10, 2020 Board of Governors Meeting Minutes b) July 28, 2020 Special Board of Governors Meeting Minutes c) Resolution No. 2020-04 Revised Employee Salary Structure Fiscal Years Ending 2015 Through 2020. d) Resolution No. 2020-05 Conflict of Interest <p>Motion to Approve September 11, 2020 Board of Governors Consent Calendar.</p> <p>A vote by roll call was taken and the motion passed.</p>	<p><u>Motion to Approve September 11, 2020 Board of Governors Consent Calendar.</u></p> <p><u>Motion:</u> N. Peraino <u>Second:</u> R. Gebhart</p> <p><u>Vote:</u> Yes</p> <p>No opposed or abstained.</p>	None
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6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY COMMITTEE			
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R. Gebhart	<p>The Compliance Advisory Committee was held telephonically on September 11, 2020, at 10:30 AM.</p> <p>Scott introduced Richard Golfin, III; the Alliance’s new Chief Compliance Officer.</p> <p>Rebecca Gebhart gave the following updates:</p> <p>Compliance Dashboard:</p> <ul style="list-style-type: none"> • The Compliance dashboard has 5 to 6 audits with 91 findings and 90 of these corrective action plans have been completed and 68 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
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	<p>have been validated (9 within the last couple of months).</p> <p>NCQA Plan Audit:</p> <ul style="list-style-type: none"> • NCQA Accreditation Audit is voluntary for the Alliance. • 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. • We were granted a CAP on July 1, and we are now accredited on both lines of business for the next 3 years. • The team is working hard on CAP solutions and to be prepared for future audits they are performing mock audits. • The Committee will deep-dive into the NCQA Audit at the next Compliance Advisory Committee meeting. <p>New Delegation Oversight Committee:</p> <ul style="list-style-type: none"> • Richard Golfin is in charge to lead this Committee and is working on building the membership. • The Delegation Oversight Committee is our internal control and will review our delegated entities. • The State looks close at how the plans manage delegated entities. • Historically, plans might give a non-compliant delegated entity a CAP, and this might go on a few years with no consequences. • The Committee will be reviewing how the plan responds to non-compliance and recommending action for non-compliance, which could be, a CAP, sanction's, and termination of delegated entity. • The Committee will deep dive into solutions for non-compliance at the next Compliance Advisory Committee meeting and Board members are welcome to attend. <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>		

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6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE			
Dr. Ferguson	<p>The Finance Committee was held telephonically on Tuesday, September 8, 2020.</p> <p>Dr. Ferguson gave the following updates:</p> <p>Finance Issues:</p> <ul style="list-style-type: none"> • Enrollment has had a significant turnaround since March due to COVID-19. • MLR should be above 85% and in June it was 83.6 but currently is 92.3. • The administrative expense has increased and the TNE is at 647%. <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	<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>Operating performance – fiscal year end 2020 & July 2021:</p> <ul style="list-style-type: none"> • Over 30,000 new Medi-Cal applications were processed between March and August by Alameda County Social Services. • We are tracking 3 operational dashboard metrics that are over the Alliances, internal controls which are; provider disputes, call center wait time and abandonment, and human resources. • Claims that are disputed are over payment or underpayment. The Claims department works hard to process these claims accurately 	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	

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	<p>and to minimize the number of disputes.</p> <ul style="list-style-type: none"> • Call center volume was 16,000 – 17,000 calls per month before the pandemic, then the calls decreased after the start of the pandemic, but now the calls are starting to increase and currently there are about 13,000 calls per month. Due to adjusting to the work from home environment, technology issues, and staffing shortages, the call volume has been down. • Human Resources open positions: <ul style="list-style-type: none"> ○ Staffing shortage fluctuates in all departments. The change occurring with new applicants is the type of work they are looking for, which mostly is remote work. ○ Human Resources added to their staff in the recruiting area to help facilitate the recruiting process. ○ The Alliance has hired a company to identify what returning to the office in the future would look like and to identify remote working roles. <p>Questions:</p> <ul style="list-style-type: none"> • Since we are understaffed, adjusting salaries in real-time at this point might be good. <p>Answer:</p> <ul style="list-style-type: none"> • The Alliance has low, mid-range, and higher range in salaries and is also looking into a new salary survey for positions. <p>Questions:</p> <ul style="list-style-type: none"> • Are we having trouble attracting applicants or keeping the applicants? <p>Answer:</p> <ul style="list-style-type: none"> • Yes, both of these reasons are happening with applicants. Recently, applicants also want to know how long we will be working remote. We cannot give them this information as we do not know. 		

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	<p>Question:</p> <ul style="list-style-type: none"> • Working remotely, we could obtain individuals from across the country to fill the open positions which do not seem to be fillable here in the Bay area which could be an answer to our staffing shortage. <p>Answer:</p> <ul style="list-style-type: none"> • There would need to be a long term plan with training for managers/supervisors to be able manage in remote settings. Providing consistent training to managers is important. We are looking into a couple of companies that provide this training. <p>Board of Governors:</p> <ul style="list-style-type: none"> • New Board Members approved by Alameda County Board of Supervisors. <ul style="list-style-type: none"> ○ Bryon Lopez – SEIU / United Healthcare Workers West ○ Natalie Williams – Consumer Member ○ New Board members were thanked for their services to the Alliance • Dr. Bertram Lubin, Quality Award. <ul style="list-style-type: none"> ○ In appreciation to Dr. Bert Lubin, the Alliance created the Dr. Bert Lubin Quality Award and once a year an award will be presented to a pediatrician. ○ The Alliance will have more information regarding this award to present to the Board later in the year. <p>Privacy Officer & Security Officer Appointments:</p> <ul style="list-style-type: none"> • Sasi Karaiyan, Chief Information Officer, was appointed as the Chief Security Officer in August 2020. • Richard Golfin, Chief Compliance Officer, was appointed as the 		

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	<p>Chief Privacy Officer in August 2020.</p> <ul style="list-style-type: none"> • Both of these positions will work closely with one another. <p>Promotions:</p> <ul style="list-style-type: none"> • Sasi Karaiyan has been promoted to Chief Information Officer. • Anastacia Swift has been promoted to Chief Human Resource Officer. <p>COVID-19 Response & Public Health Policies:</p> <ul style="list-style-type: none"> • Public health emergency status continues, (9 months, March – September) progressing through the pandemic. • Activities that are still occurring. <ul style="list-style-type: none"> ○ 1115 Waiver that authorizes the Whole person initiative is pending approval by CMS. A 12-month extension is planned to be completed by end of year. Health Home Program is also tied to this waiver. The Alliance will continue to update the Board on these programs. <p>Question:</p> <ul style="list-style-type: none"> • What is the internal strategy if we lose one or both of these programs? <p>Answer:</p> <ul style="list-style-type: none"> • The strategy depends on details we receive from the State. If Whole Person Care is not funded then this would have an impact on the homeless. The Alliance is working on transition plans if these programs are discontinued. The Alliance is still in active conversations with the County regarding Whole Person Care. • Long Term at Home Care benefit has been cancelled by DHCS. • The Pharmacy transition from the Alliance to DHCS is to be completed by January 1st, 2021. • In September, DHCS initiated the procurement process for 		

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	<p>managed care health plans statewide.</p> <ul style="list-style-type: none"> ○ The process is to be tentatively completed in the next 2 years. ○ The Alliance is not included in the process. <p>Dissolution Of Joint Powers Authority:</p> <ul style="list-style-type: none"> ● Alliance Board Resolution 2020-01 authorizing CEO to issue notice of Termination to the County was approved by the Alliance Board March 2020. ● The Alameda County Board of Supervisors are scheduled to vote on the contract amendment between Alameda Alliance and Alameda County Public Authority. ● The Alliance Bylaws are being updated to remove the Joint Powers Authority. ● The JPA dissolution is targeted to be completed by November 30, 2020. <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>		
8. a. BOARD BUSINESS – REVIEW AND APPROVE JUNE 2020 MONTHLY FINANCIAL STATEMENTS			
Gil Riojas	<p>Gil Riojas gave the following June Finance updates:</p> <p>Enrollment:</p> <ul style="list-style-type: none"> ● For the month ending June 30, 2020, the Alliance had enrollment of 256,745 members, a net income of \$5.0M and the tangible net equity is 645%. <p>Net Income:</p> <ul style="list-style-type: none"> ● For the month ending June 30, 2020, the actual net income was \$5.0M and the budgeted net loss was \$3.1M. 	<p><u>Motion to approve the June 2020 financial report as presented.</u></p> <p><u>Motion:</u> R. Gebhart <u>Second:</u> D. Vliet</p> <p>Motion passed by roll call.</p> <p><u>Vote:</u> Yes</p>	

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	<ul style="list-style-type: none"> 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 June 30, 2020, the actual revenue was \$81.6M vs. the budgeted revenue of \$74.8M. For the year-to-date, the Alliance recorded revenue of \$965.3M vs. budgeted YTD revenue of \$935.5M. <p>Medical Expense:</p> <ul style="list-style-type: none"> For the month ending June 30, 2020, actual medical expenses were \$68.2M vs. our budgeted medical expense of \$91.3M. <p>Medical Loss Ratio (MLR):</p> <ul style="list-style-type: none"> For the month ending June 30, 2020, the MLR was 83.6% and also fiscal year-to-date of 92.3%. <p>Administrative Expense:</p> <ul style="list-style-type: none"> For the month ending June 30, 2020, actual administrative expenses were \$8.4M vs. budgeted administrative expense \$5.2M. <p>Other Income / (Expense):</p> <ul style="list-style-type: none"> As of June 30, 2020, our YTD interest income from investments is \$4.5M, and YTD claims interest expense is \$333,000. <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 June 30, 2020, the TNE was reported at 645% of the required amount. <p>Cash Position and Assets:</p> <ul style="list-style-type: none"> For the month ending June 30, 2020, \$279.7M reported in cash; \$138.2M is uncommitted cash. Our current ratio is above the minimum required at 1.77, as compared to the regulatory minimum of 1.0. 	No opposed or abstained.	

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	<p>Question:</p> <ul style="list-style-type: none"> • Did we reserve funds in the event the State takes back money because of the COVID-19? <p>Answer:</p> <ul style="list-style-type: none"> • We know that there will be a reduction in rates of 1.4% and we have accounted for this. The other is the risk corridor going forward, we will know in the next few months if we need to also adjust for more. <p>Question:</p> <ul style="list-style-type: none"> • Does every plan in the State of California have this rate reduction and risk corridor? <p>Answer:</p> <ul style="list-style-type: none"> • Yes, all plans are in the same scenario. <p>Motion to approve the June 2020 financial report as presented.</p> <p>A vote by roll call was taken and the motion passed.</p>		
8. b. BOARD BUSINESS – REVIEW AND APPROVE JULY 2020 MONTHLY FINANCIAL STATEMENTS			
G. Riojas	<p>Gil Riojas gave the following July Finance updates:</p> <p>Enrollment:</p> <ul style="list-style-type: none"> • For the month ending July 31, 2020, the Alliance had enrollment of 259,918 members, a net income of \$1.9M and the tangible net equity is 647%. • Our enrollment has increased 3,173 members since June 2020. <p>Net Income:</p> <ul style="list-style-type: none"> • For the month ending July 31, 2020, the actual net income was \$1.9M and the budgeted net loss was \$5.1M. • The favorable variance is due to higher than anticipated revenue and lower than anticipated medical and administrative expenses. 	<p><u>Motion to approve the July 2020 financial report as presented.</u></p> <p><u>Motion:</u> R. Gebhart <u>Second:</u> D. Vliet</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"> For the month ending July 31, 2020, the actual revenue was \$81.9M vs. the budgeted revenue of \$79.2M. <p>Medical Expense:</p> <ul style="list-style-type: none"> For the month ending July 31, 2020, actual medical expenses were \$75.5M vs. our budgeted medical expense of \$75.6M. <p>Medical Loss Ratio (MLR):</p> <ul style="list-style-type: none"> For the month ending July 31, 2020, the MLR was 92.3% and also fiscal year-to-date of 92.3%. <p>Administrative Expense:</p> <ul style="list-style-type: none"> For the month ending July 31, 2020, actual administrative expenses were \$4.6M vs. budgeted administrative expense \$8.8M. <p>Other Income / (Expense):</p> <ul style="list-style-type: none"> As of July 31, 2020, our YTD interest income from investments is \$96,000, and YTD claims interest expense is \$39,000. <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 July 31, 2020, the TNE was reported at 647% of the required amount. <p>Cash Position and Assets:</p> <ul style="list-style-type: none"> For the month ending July 31, 2020, \$260.1M reported in cash; \$132.4M is uncommitted cash. Our current ratio is above the minimum required at 1.82, as compared to the regulatory minimum of 1.0. <p>Capital Investment:</p> <ul style="list-style-type: none"> Fiscal year-to-date Capital assets acquired: \$160,000. Annual capital budget: \$2.5 million. 		

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	<ul style="list-style-type: none"> A summary of year-to-date capital asset acquisitions is included in this monthly financial statement package. <p>Question:</p> <ul style="list-style-type: none"> Prop 56 revenue gap, will the State make adjustments this year and is this a straight pass through. <p>Answer:</p> <ul style="list-style-type: none"> Not necessarily a direct pass through and we do not have the information yet regarding adjustments. <p>Motion to approve the July 2020 financial report as presented.</p> <p>A vote by roll call was taken and the motion passed.</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 July 21, 2020.</p> <p>Dr. O'Brien gave the following updates:</p> <ul style="list-style-type: none"> There were nine (9) initial providers approved; including two (2) Primary Care Providers, two (2) specialists, zero (0) ancillary providers, and five (5) mid-level providers Additionally, thirty-three (33) providers were re-credentialed at this meeting; six (6) primary care providers, twenty (20) specialists, two (2) ancillary providers, and five (5) mid-level providers. <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	
9. b. STANDING COMMITTEE UPDATES – HEALTH CARE QUALITY COMMITTEE			

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Dr. O'Brien	<p>The Health Care Quality Committee (HCQC) was held telephonically on July 16, 2020.</p> <p>Committee Medical Updates:</p> <p>P&P Overview and Approvals:</p> <ul style="list-style-type: none"> • 66 Total P&Ps submitted for committee review and approval for HCS (QA CM, MBR, IT, HE, QI). <p>Committee Member Presentation:</p> <ul style="list-style-type: none"> • Dr. Laura Miler, CHCN presented on COVID-19 Impact: <ul style="list-style-type: none"> ○ CHCN – Rapid Adaption to Shelter in Place presentation. <p>G&A:</p> <ul style="list-style-type: none"> • Q1-2021 data presented: <ul style="list-style-type: none"> ○ Increase in total grievances – QOC and QOS grievances. <p>NCQA Update:</p> <ul style="list-style-type: none"> • NCQA accredited both the Medi-Cal and Commercial lines of business on July 1, 2020. <p>Health Education Program Evaluation:</p> <ul style="list-style-type: none"> • Top 3 Health Education Classes utilized by members include: <ul style="list-style-type: none"> ○ Asthma, Lactation services, and Nutrition services <p>Interpreter Services –</p> <ul style="list-style-type: none"> • The new telephonic vendor as of June 1, 2020 is CyraCom. • The Alliance is implementing this vendor to providers. <p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	<p>Informational update to the Board of Governors.</p> <p>Vote not required.</p>	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
10. STAFF UPDATES			
S. Coffin	None	None	None
11. UNFINISHED BUSINESS			
S. Coffin	None	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. CLOSED SESSION			
Dr. Seevak	<p>Dr. Seevak announced a Closed Session.</p> <p>All Guests and Staff left the meeting. The Board of Governors and Scott Coffin stayed for the closed session.</p> <ul style="list-style-type: none"> • Public Employee Performance Evaluation (Pursuant To Government Code Section 54957). Title: Chief Executive Officer. • Conference with Labor Negotiators (Pursuant To Government Code Section 54957.6). Agency Negotiators: [Dr. Evan Seevak, Chair; Rebecca Gebhart, Vice Chair; Dr. Rollington Ferguson, Finance Committee Chair; David B. Vliet, Board Member; Marty Lynch, Board Member]; Unrepresented Employee: Chief Executive Officer. 	None	None
14. ADJOURNMENT			
Dr. Seevak	Dr. Seevak adjourned the meeting at 2:17 PM.	None	None

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