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# Board of Governors Meeting Minutes

# ALAMEDA ALLIANCE FOR HEALTH

## BOARD OF GOVERNORS REGULAR MEETING

June 14, 2019  
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, Feda Almaliti, Wilma Chan, Marty Lynch, Dr. Rollington Ferguson, David B. Vliet

**Excused:** Aarondeep Basrai, Delvecchio Finley, Dr. Michael Marchiano, Dr. Kelly Meade, Nicholas Peraino, Will Scott

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

**Board of Governors on Conference Call:** none

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>1. CALL TO ORDER</b>			
E. Seevak	The regular board meeting was called to order by E. Seevak at 12:06 PM.	None	None
<b>2. INTRODUCTIONS</b>			
E. Seevak	Board Members, Alliance Staff, and Guests in the Public Seating Area were introduced.	None	None
<b>3. AGENDA APPROVAL OR MODIFICATIONS</b>			
E. Seevak	The agenda was modified to have the Consent Calendar and Board Business requiring a vote to be the last items on the agenda.	None	None
<b>4. CONSENT CALENDAR</b>			
E. Seevak	The consent calendar contained the May 2019 Board of Governors minutes and the 2019 Cultural & Linguistic Program Description.	Motion: M. Lynch Second: F. Almaliti Motion passed.	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY GROUP</b>			
R. Gebhart	<ul style="list-style-type: none"> <li>The Compliance Advisory Group convened on June 14<sup>th</sup>.</li> <li>The Alliance has corrected approximately 95% of the open deficiencies, and nine (9) deficiencies were re-opened.</li> <li>The DHCS Medical Survey Audit started on June 10, and ended on June 21. The Alliance Staff have been focused on working with the DHCS Auditors on-site.</li> <li>DHCS Auditors commented on recognized improvements in the compliance since last year DHCS audit.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
<b>6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE</b>			
R. Ferguson	<ul style="list-style-type: none"> <li>Finance Committee was held on Tuesday, June 11, 2019.</li> <li>The April 2019 financial report was presented.</li> <li>Preliminary budget for fiscal year 2019/2020 was presented and discussed.</li> <li>Recommendation to approve the April 2019 financial report and the Preliminary Fiscal Year 2019/2020 budget.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
<b>7.a. BOARD BUSINESS – REVIEW AND APPROVE FINANCIAL STATEMENTS</b>			
G. Riojas	<ul style="list-style-type: none"> <li>April 2019 financials reported a net loss of \$1.7 million dollars for the month, and year-to-date a net loss of \$3.4 million dollars.</li> <li>Enrollment dropped from 259,147 in March to 258,937 in April.</li> <li>Actual revenue was \$76.3 million reported for the month of April.</li> <li>Actual medical expense \$74.5 million reported for the month of April.</li> <li>Actual administrative expenses \$4.4 million reported for the month of April.</li> <li>Interest earned from investment income increased \$1.1M for the month from \$4.4M to \$5.5M for the YTD. Current yield is 2.5%.</li> <li>Claims interest expense year-to-date is approximately \$504,000.</li> </ul>	<p>Motion: M. Lynch Second: R. Ferguson Motion passed.</p>	

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	<ul style="list-style-type: none"> <li>• Medical Loss Ratio (MLR) at 97.7% for the month of April 2019, and 95.6% year-to-date. Budgeted MLR is 98.9%.</li> <li>• Motion carried to approve the April 2019 financial report as presented to the Board of Governors.</li> </ul>		
<b>7.b. BOARD BUSINESS – PRELIMINARY BUDGET REVIEW FISCAL YEAR 2019/2020</b>			
G. Riojas S. Coffin	<ul style="list-style-type: none"> <li>• Preliminary budget for the fiscal year 2019/2020 was presented (see document titled “Preliminary Budget – Fiscal Year 2019/2020” starting on Page #81 of the Board Packet).</li> <li>• Scott Coffin, CEO, reviewed the budget process page #82.</li> <li>• Gil Riojas, CFO, presented pages #83 through #98 in the Board Packet.</li> <li>• The preliminary budget is presented for approval with the following results by June 30, 2020:               <ul style="list-style-type: none"> <li>○ Membership forecasted to decline by 3.5%.</li> <li>○ Annual revenue is \$930.4 million dollars.</li> <li>○ Tangible net equity is 546%, \$173.9 million dollars.</li> <li>○ Medical expenses \$882.2 million dollars, or 94.8%.</li> <li>○ Administrative expenses \$61 million dollars, or 6.6%.</li> <li>○ Net loss of \$9.0 million dollars.</li> </ul> </li> <li>• Page #87 breaks out the clinical and administrative expenses.</li> <li>• Pages #88 and #89 visualize the revenue and expense by category of aid and line of business.</li> <li>• Pages #90 and #91 visualize the year-over-year percentage of medical expenses by category of aid and line of business.</li> <li>• Page #92 details the addition of \$9.7 million dollars in operating expenses.</li> <li>• Page #93 details the \$2.5 million dollars in capital expenditures proposed in the budget.</li> <li>• Motion carried to approve the Preliminary Fiscal Year 2019/2020 Budget as presented to the Board of Governors.</li> </ul>	Motion: R. Ferguson Second: F. Almaliti Motion passed.	

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**7.c. BOARD BUSINESS – QUALITY IMPROVEMENT FEE: INTENT TO SURRENDER QIF PLAN LICENSE**

S. Coffin	<ul style="list-style-type: none"> <li>• The Quality Improvement Fee (QIF) was enacted in 2005 and sunsetted in 2009 by the DHCS.</li> <li>• The DMHC notified the health plans in May 2019 regarding the treatment of distinct and affiliate health plans.</li> <li>• The distinct health plan contains the Medi-Cal line of business, and the affiliate health plan contains the commercial line of business, Group Care.</li> <li>• Approximate cost to maintain the affiliate health plan is \$1.5 million dollars per year (licensing, audits, tangible net equity requirements).</li> <li>• Recommendation by CEO to surrender the QIF health plan license and dissolve the Alliance’s Joint Power Authority (JPA).</li> <li>• Motion to authorize the CEO to notify the Department of Managed Health Care and the Department of Health Care Services that the Alliance will surrender the “Quality Improvement Fee Health Plan License”. Further, the notification will state that the Alliance will transfer the Group Care commercial product and enrollees into the Alliance’s affiliate plan, no later than July 1, 2019.</li> <li>• The JPA will be dissolved by 12/31/2019, and likely would require a resolution for final approval by the Alameda County Board of Supervisors.</li> <li>• CEO to update Board of Governors as the details related to restructuring is defined by the external general counsel.</li> </ul>	<p>Motion: E. Seevak  Second: F. Almaliti  Motion passed.</p>	
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**8.a. STANDING COMMITTEE UPDATES – PEER REVIEW AND CREDENTIALING COMMITTEE**

S. O'Brien	<ul style="list-style-type: none"> <li>• The Peer Review and Credentialing Committee (PRCC) was held on June 10, 2019.</li> <li>• Total of 40 providers were initially credentialed, and 41 were re-credentialed.</li> <li>• Of the 40 initial credentials, 11 PCP, 13 Specialist, 2 Ancillary, and 14 Mid-levels.</li> <li>• Of the 41 re-credentials, 12 PCP, 23 Specialist, 1 Ancillary, and 5 Mid-levels.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
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**8.b. STANDING COMMITTEE UPDATES - HEALTH CARE QUALITY COMMITTEE**

<p>S. O'Brien</p>	<ul style="list-style-type: none"> <li>• HEDIS <ul style="list-style-type: none"> <li>○ Minimum performance levels for HEDIS quality measures increasing from 25% to 50%.</li> <li>○ 2019 focus: <ul style="list-style-type: none"> <li>▪ Enhances bridge building with delegate/health care partners</li> <li>▪ Identify and resolve barriers to reaching the performance standards as set by the DHCS, greater than 50% for the core HEDIS measures.</li> </ul> </li> </ul> </li> <li>• Potential Quality Issues (PQIs) <ul style="list-style-type: none"> <li>○ 98% compliant with TATs 2% variance due to late medical record request submission.</li> </ul> </li> <li>• Delegation Oversight <ul style="list-style-type: none"> <li>○ Kaiser and Beacon to present their Program Evaluations, Program Descriptions, and Work Plans at future meetings.</li> </ul> </li> <li>• Performance Improvement Plans (PIPs) – aligned with HEDIS and Pay for Performance (P4P) measures.</li> <li>• Access to Care <ul style="list-style-type: none"> <li>○ Adopted new standards for telephone calls (returned in 1 business day) and wait times in an office (&lt; 1 hour) waiting state approval.</li> <li>○ PAAS, CAHPS, After Hours, Internal, DHCS QMRT (Quality Monitoring Reporting) CAP process underway for directs and delegate. Total 146 for non-compliance and/or no response.</li> <li>○ Dr. Ferguson inquired about the status of pain management and opiate case management programs. Dr. O'Brien responded about a multi-year implementation strategy at the Alliance to address pain management, which is part of a larger network management strategy due to the limited pain management providers willing to accept Medi-Cal reimbursements.</li> </ul> </li> <li>• Diabetes Prevention Program</li> <li>• DHCS – Annual Audit underway through 6/21/2019.</li> <li>• NCQA Re-accreditation – Onsite audit with NCQA Survey Team is September 10<sup>th</sup>-11<sup>th</sup>. Renewed focus on Utilization Management and Population Health by NCQA.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
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<b>9. CEO UPDATE</b>			
S. Coffin	<ul style="list-style-type: none"> <li>• The Health Homes pilot is being transitioned to a state-funded model on July 1<sup>st</sup>, 2019. DHCS approved the Alliance's application on June 6<sup>th</sup>. Alameda Alliance initiated a self-funded pilot in 2017, investing \$1.5 million dollars in community-based organizations to build the linkages and patient-centered care models.</li> <li>• Medi-Cal procurement process begins in 2020. DHCS to issue requests for proposal in 36 of the 58 counties in California. Applies only to commercial plans in two-plan and geographic-managed care, and other selected counties. Implementation of commercial health plan no later than December 31, 2023.</li> <li>• Regulatory Audit Updates: <ul style="list-style-type: none"> <li>○ DHCS medical survey audit completes by June 21, 2019.</li> <li>○ DHCS Rate Development Template Audit completes in June 2019.</li> <li>○ Worker's Compensation Insurance Board completes by June 20, 2019.</li> <li>○ Annual Financial Audit by Moss Adams completes in June 2019.</li> <li>○ Office of Inspector General (OIG) audit on medical loss ratio is pending a date certain for the onsite audit.</li> </ul> </li> <li>• Alameda Alliance delivers approximately 300 reports to the regulatory agencies (DMHC, DHCS) each year.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
<b>11. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS</b>			
S. Coffin	None	None	None
<b>12. PUBLIC COMMENTS (NON-AGENDA ITEMS)</b>			
E. Seevak	None	None	None
<b>12. ADJOURNMENT</b>			
E. Seevak	The meeting was adjourned at 1:58 PM.	None	None

<b>AGENDA ITEM SPEAKER</b>	<b>DISCUSSION HIGHLIGHTS</b>	<b>ACTION</b>	<b>FOLLOW UP</b>
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Respectfully Submitted By: Brenda Lee  
Brenda Lee, Executive Assistant to the Chief Operating Officer