

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

**November 8, 2019  
12:00PM – 2:00PM  
1240 South Loop Road, Alameda, CA**

**SUMMARY OF PROCEEDINGS**

**Board Members Present:** Dr. Evan Seevak (Chair), Rebecca Gebhart (Vice Chair), Dr. Noha Aboelata, Wilma Chan, Aarondeep Basrai, Dr. Michael Marchiano, Dr. Rollington Ferguson, Marty Lynch, Nicholas Peraino

**Excused:** Feda Almaliti, Will Scott, Dr. Meade, Delvecchio Finley, David Vliet

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

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

**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 12:02PM.	None	None
<b>2. ROLL CALL</b>			
Dr. Seevak	Board Members, Alliance Staff, and Guests in the Public Seating Area introduced themselves.	None	None
<b>3. AGENDA APPROVAL OR MODIFICATIONS</b>			
Dr. Seevak	None	None	None
<b>4. INTRODUCTIONS</b>			
Dr. Seevak	Introductions were made during Roll Call.	None	None

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
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<b>5. CONSENT CALENDAR</b>			
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Dr. Seevak	Review and Approve October 2019 Board of Governors Meeting Minutes.	Motion: R. Gebhart Second: M. Lynch Motion passed.	None
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<b>6. a. BOARD MEMBER REPORT – COMPLIANCE ADVISORY COMMITTEE</b>			
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R. Gebhart	<p><b>The Compliance Advisory Group met on November 8, 2019.</b></p> <ul style="list-style-type: none"> <li>• Rebecca updated on the Compliance Advisory Committee, and Dr. Seevak attended the meeting that took place earlier today.</li> </ul> <p><b>The Compliance Advisory group discussed the following:</b></p> <ul style="list-style-type: none"> <li>• DHCS Medical Services Audit (2018-19) with 28 findings, of which 14 were repeat findings.</li> <li>• Overall the number of findings reduced as compared to 2016-1017 (83 findings).</li> <li>• In comparison across the state, some health plans receive 60 findings and some have 10.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
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<b>6. b. BOARD MEMBER REPORT – FINANCE COMMITTEE</b>			
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Dr. Ferguson	<p>The Finance Committee was held on Tuesday, November 5, 2019.</p> <p><b>Dr. Ferguson gave his Finance Committee report.</b></p> <ul style="list-style-type: none"> <li>• This Finance Committee met by telephone.</li> <li>• Membership continues to drop 1,000 plus members per month.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
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AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<ul style="list-style-type: none"> <li>The Alliance financials remain stable and positive.</li> <li>Scott will later introduce software and hardware purchases for Board approval.</li> </ul>		
<b>7. CEO UPDATE</b>			
S. Coffin	<p><b>November 2019 Board of Governors Meeting</b></p> <p><b>Financial Outlook &amp; Operating Metrics:</b></p> <ul style="list-style-type: none"> <li>\$3.9 million net income in September, \$6.1 million net income year-to-date.</li> <li>Medical expense “PMPM” remains high, net income offset by additional revenues through the negotiated rate increases (8.3%, annualized \$60M revenue)</li> <li>Tangible net equity 580%, or \$154.6 million above the required reserves.</li> <li>Statewide &amp; county enrollment trends in the Medi-Cal program.</li> <li>Data sharing agreement was executed last night that enables the Alliance and Alameda County Social Services to conduct a more detailed analysis on the members disenrolling, and with the “Date of Death Audit”. Unclear if there is data that explains why people disenroll, however we will find out during the next 30-60 days.</li> <li>Statewide membership: public plans reporting 2% to 6% decline in enrollment during last 12 months.</li> <li>DHCS states they are delivering the Death Audit report and invoice in December, and payment is due in the month of January. \$1.5 million was allocated in the current budget.</li> <li>First Quarter 2020 Financial Forecast to be presented at the December Board of Governors meeting.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<p><b>Question:</b></p> <ul style="list-style-type: none"> <li>• How will the Data Sharing help?</li> </ul> <p><b>Answer:</b></p> <ul style="list-style-type: none"> <li>• Our goal is identify through Alameda County records why the Alliance membership has declined.</li> </ul> <p><b>CalAIM:</b></p> <ul style="list-style-type: none"> <li>• California Advancing and Innovating Medi-Cal (CalAIM).</li> <li>• CalAIM proposal released by DHCS on October 28, 2019.</li> </ul> <p><b>Question:</b></p> <ul style="list-style-type: none"> <li>• Can the Board receive a list of the big issues that the Health Plan might experience with CalAIM?</li> </ul> <p><b>Answer:</b></p> <ul style="list-style-type: none"> <li>• Yes, an overview will be prepared for the December Board meeting.</li> </ul> <p><b>Medi-Cal Long-Term Care Benefits:</b></p> <ul style="list-style-type: none"> <li>• January 1, 2021, transition from fee-for-service into managed care.</li> <li>• Services include all transplants, skilled nursing facility, adult and pediatric subacute facilities, and intermediate care facilities.</li> </ul> <p><b>Medi-Cal Pharmacy Services:</b></p> <ul style="list-style-type: none"> <li>• January 1, 2021, transition from managed care into fee-for-service.</li> <li>• Alliance will continue to administer physician-administered drugs for Medi-Cal members, and full administration of pharmacy benefits for the GroupCare line of business.</li> </ul> <p><b>Behavioral Health Assessment:</b></p> <ul style="list-style-type: none"> <li>• Assessment of mild-to-moderate mental health services begins in November, scheduled to complete in February-March 2020.</li> </ul> <p><b>Medi-Cal managed care procurement:</b></p> <ul style="list-style-type: none"> <li>• DHCS reporting to initiate procurement process in 2020, and implement a second Medi-Cal plan in Alameda County by 2023.</li> </ul>	<p>The Board to receive an introduction of the CalAIM initiatives and impact to the Alliance.</p>	

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	<p><b>Audits &amp; Accreditation:</b></p> <ul style="list-style-type: none"> <li>• DHCS medical survey final report to be issued publicly, total of 28 findings.</li> <li>• DMHC routine finance audit scheduled to start December 9th.</li> <li>• NCQA re-accreditation final report issued. Medi-Cal and GroupCare are accredited with corrective action requirements.</li> </ul>		
<b>8. a. BOARD BUSINESS – REVIEW AND APPROVE September 2019 Monthly Financial Statements</b>			
Gil Riojas	<p><b>Net Income and Enrollment:</b></p> <ul style="list-style-type: none"> <li>• For the month ending September 30, 2019, the Alliance had enrollment of 254,215 members and a Net income of 3.9 million and Tangible Net Equity is 580%.</li> <li>• For the year-to-date, the Alliance recorded a Net Income of \$6.1 million net income.</li> <li>• Our enrollment decreased by 1,398 members since the month of September.</li> </ul> <p><b>Revenue:</b></p> <ul style="list-style-type: none"> <li>• For the month ending September 30, 2019, revenue was higher than budgeted, at \$80.8 million vs. budgeted amount of \$79.1 million.</li> <li>• For the year-to-date, the Alliance recorded revenue of \$241.8 million (versus budgeted revenue of \$238.5 million).</li> <li>• The largest variances are due to higher than anticipated revenue, and lower than anticipated administrative.</li> </ul> <p><b>Medical Expense:</b></p> <ul style="list-style-type: none"> <li>• Actual medical expenses were \$73.3 million vs. budgeted of \$73.4 million for current month.</li> <li>• For the year-to-date, medical expenses are \$224.1 million vs. budgeted of \$220.6 million.</li> </ul> <p><b>Administrative Expense:</b></p>	Motion: Dr. Ferguson Second: Dr. Marchiano Motion passed.	

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	<ul style="list-style-type: none"> <li>Actual administrative expenses were below budget for the month at \$4.2 million vs. budgeted \$5.2 million, and year-to-date \$13.0 million vs. \$14.5 million.</li> <li>Our administrative expense represents 5.2% of our net revenue for the month and 5.4% of net Revenue for the year-to-date.</li> </ul> <p><b>Other Income / (Expense):</b></p> <ul style="list-style-type: none"> <li>As of September 30, 2019, our YTD interest income from investments is \$1.7 million, and YTD claims interest expense is \$92,000.</li> </ul> <p><b>Tangible Net Equity (TNE):</b></p> <ul style="list-style-type: none"> <li>Tangible net equity results continue to remain healthy, and at the end of September, TNE was reported at 580% of the required amount, with a surplus of \$154.6 million.</li> </ul> <p><b>Cash Position and Assets:</b></p> <ul style="list-style-type: none"> <li>\$228.6 million in cash; \$187.6 million is uncommitted. Our current ratio is above the minimum required at 2.09.</li> </ul> <p><b>Capital Investments:</b></p> <ul style="list-style-type: none"> <li>Capital assets purchased year-to-date \$318,000.</li> <li>Annual capital budget is \$2.5 million.</li> </ul> <p><b>Question:</b></p> <ul style="list-style-type: none"> <li>Does the Alliance tend to financially do better the first half of the year?</li> </ul> <p><b>Answer:</b></p> <ul style="list-style-type: none"> <li>Yes</li> </ul>		
<b>8. b. MEDI-CAL TRANSPORTATION BENEFIT PRESENTATION</b>			

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
Gil Riojas	<p>Gil Riojas gave a presentation that included an overview of the Med-Cal Transportation Benefits.</p> <p><b>Transportation Types:</b></p> <ul style="list-style-type: none"> <li>• Emergency Medical Transportation (EMT)</li> <li>• Non-Emergency Medical Transportation (NEMT)</li> <li>• Non-Medical Transportation (NMT)</li> </ul> <p>Each type of transportation was explained in detail.</p> <p><b>Question:</b></p> <ul style="list-style-type: none"> <li>• Does the physician decide what type of transportation?</li> </ul> <p><b>Answer:</b></p> <ul style="list-style-type: none"> <li>• There is a box to check for the physician to approve.</li> </ul> <p><b>Question:</b></p> <ul style="list-style-type: none"> <li>• Is there a summary document that you can give to me that I can give to the ACCMA?</li> </ul> <p><b>Answer:</b></p> <ul style="list-style-type: none"> <li>• The Alliance will work to obtain this information.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
<b>8. c. REVIEW AND APPROVE DELEGATION OVERSIGHT</b>			
Gil Riojas and Diana Sekhon	<p>Gil Riojas and Diana Sekhon gave a presentation on the Delegation Oversight, “An overview of the Regulatory Compliance Requirements”.</p> <p><b>Topics Included:</b></p> <ul style="list-style-type: none"> <li>• What is Delegation Oversight?</li> <li>• Who are our Delegates?</li> <li>• Final Rule Requirements.</li> <li>• State Oversight Requirements.</li> <li>• Alliance’s Delegation Oversight Program</li> <li>• Resources.</li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	

AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
	<p>Question:</p> <ul style="list-style-type: none"> <li>Who will be on the Delegation Oversight Committee?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>Executive team and other department management staff.</li> </ul> <p>Question:</p> <ul style="list-style-type: none"> <li>Is there a timeline for Beacon to merge with Anthem Blue Cross?</li> </ul> <p>Answer:</p> <ul style="list-style-type: none"> <li>Not at this time.</li> </ul>		
<b>8. d. REVIEW AND APPROVE PROCUREMENT APPROVAL FOR HARDWARE AND SOFTWARE</b>			
S. Coffin	<p>Approval requested for the purchase of software licensing and infrastructure hardware.</p> <p>The Board members reviewed the information and approved the following contracts:</p> <p><b>Microsoft SQL license:</b></p> <ul style="list-style-type: none"> <li>Microsoft SQL license totaling \$1.1M to be paid over 3-years. <ul style="list-style-type: none"> <li>The first payment of Approximately \$333,000 was paid April 2019,</li> <li>The next payment of approximately \$333,000 will be in April 2020,</li> <li>The final payment of approximately \$333.000 will be in April 2021.</li> </ul> </li> </ul> <p><b>Technology Storage:</b></p> <ol style="list-style-type: none"> <li>Pure Technology storage in the amount of \$808,000. Total amount was paid in June of 2018.</li> </ol>	<p>Motion to retroactively approve the purchase of Microsoft Licensing in the amount of \$1.1M.</p> <p>Motion: M. Lynch. Second: Dr. Ferguson Motion passed.</p> <p>Motion to retroactively approve the purchase of Pure Technology Storage in the amount of \$808,000.</p> <p>Motion: A. Basrai. Second: Dr. Ferguson Motion passed.</p>	



AGENDA ITEM SPEAKER	DISCUSSION HIGHLIGHTS	ACTION	FOLLOW UP
<b>9. a. STANDING COMMITTEE UPDATES – PEER REVIEW AND CREDENTIALING COMMITTEE</b>			
S. O'Brien	<p>The Peer Review and Credentialing Committee (PRCC) was held on October 15, 2019.</p> <p>There were a total of 38 practitioners credentialed at this meeting.</p> <ul style="list-style-type: none"> <li>• 19 initial practitioners approved: <ul style="list-style-type: none"> <li>○ 4 primary care providers.</li> <li>○ 11 specialists.</li> <li>○ 4 midlevel providers.</li> </ul> </li> <li>• 19 re-credentialed practitioners: <ul style="list-style-type: none"> <li>○ 4 primary care providers.</li> <li>○ 8 specialists.</li> <li>○ 7 midlevel providers.</li> </ul> </li> </ul>	<p>Informational update to the Board of Governors.</p> <p>Motion and vote not required.</p>	
<b>10. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS</b>			
Dr. Seevak	None	None	None
<b>11. PUBLIC COMMENTS (NON-AGENDA ITEMS)</b>			
Dr. Seevak	None	None	None
<b>12. Closed Session</b>			
	This session was closed to public.		
<b>13. ADJOURNMENT</b>			
Dr. Seevak	The meeting adjourned at 2:15PM.	None	None

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