

**ALAMEDA ALLIANCE FOR HEALTH
BOARD OF GOVERNORS MEETING
July 26, 2007, 6:00 p.m.
1240 South Loop Road, Alameda, CA 94502**

SUMMARY OF PROCEEDINGS

Present

**Ingrid Lamirault
Michael Mahoney (Chair)
Jane Garcia (Vice-Chair)
Ray Davis, Jr. MD
Pamela Gumbs
Wright Lassiter
Linda Price, MD
Gail Steele
Richard Thomason**

Excused:

**Damita Davis-Howard
Marty Lynch
John Norton, MD**

Unexcused:

None

Agenda Item (& Supporting Documents)	Speaker	Discussion Highlights	Action	Follow-Up Required
Call to Order	M. Mahoney	<p>Meeting was called to order at 6:15 p.m. by the Chair, Michael Mahoney. A quorum of the members was present.</p> <p>Richard Thomason was welcomed to the Board as the new labor representative who replaced Charlie Ridgell. A gift was sent to Charlie Ridgell for his two years of service.</p>	None	None
<p>Approval of Agenda & Minutes</p> <p><u>Two attachments</u></p> <p>Agenda</p> <p>May mtg summary</p>	M. Mahoney	<p>The Chair asked for comments on the 5-24-07 summary of proceedings. There were none.</p> <p>The following changes were made to the agenda (see attachment):</p> <p>Postpone vote for name change (Ingrid will discuss under SP Report)</p> <p>Add agenda item to Closed Session (new Item #1)</p> <p>Delete JPA Item #3 and approval of last JPA meeting minutes</p> <p>The Chair asked for approval of May summary of proceedings and July agenda.</p>	<p>Motion: J. Garcia</p> <p>Second: L. Price, MD</p> <p>Vote: Unanimous</p>	None
<p>Chair's Report</p> <p><u>Two attachments</u></p> <p>Resolution 07-04</p> <p>Resolution 07-05</p>	M. Mahoney	<p>The Chair summarized the single action taken during the 5-24-07 Closed Session meeting:</p> <p>The Board unanimously approved the PRCC's recommendations for credentialing and recredentialing.</p>	None	None
		Approval of Resolution 07-04, Pension Trust Amendment Three (see attachment).	<p>Motion: J. Garcia</p> <p>Second: R. Davis</p> <p>Vote: Unanimous</p>	None
		Approval of Resolution 07-05, Pension Trust Amendment Four (see attachment).	<p>Motion : R. Thomason</p> <p>Second: R. Davis</p> <p>Vote: Unanimous</p>	None
		Vote is postponed until September for Chair and Vice Chair.	None	None
<p>CEO's Report</p> <p><u>One attachment</u></p>	<p>CEO Report</p> <p>I. Lamirault</p>	<p>CEO gave an update on efforts toward State Health Reform. AB 8 (Nunez/Perata bill) combines elements of both legislators' proposals. AB 8 has significant differences from the Governor's proposal, namely individual mandate and provider's tax.</p> <p>The Legislators' focus is all on the State budget at this point. There might be more information to share at the September meeting.</p>	None	Put on agenda for next meeting.

Agenda Item (& Supporting Documents)	Speaker	Discussion Highlights	Action	Follow-Up Required
CEO's Report (Continued)	CEO Report I. Lamirault	<p>CEO reported on the last Member Advisory Committee meeting.</p> <p>Staff followed up on a previous request made by the committee to hear what a typical and/or atypical call to the Member Services phone like was like. The staff played two calls (with member identifying information removed). The Committee provided input on the quality of the call response from AAH staff and critiqued a proposed form for soliciting member feedback or satisfaction of calls.</p> <p>Gail Steele requested that the same presentation be provided at the September Board meeting.</p>	None	Put on agenda for next meeting.
Strategic Planning Committee Report	R. Davis, MD	<p>Dr. Davis reported on the Medicare update that was provided by staff in the open session of the meeting. The committee went into closed session to discuss proprietary information on the pending Medicare product line. During open session, the following update was provided:</p> <p>The estimated implementation timeline is:</p> <ul style="list-style-type: none"> · Final approval from federal government (August 2007) · Begin marketing/sales (October 1, 2007) · Begin enrollment (November 15, 2007) · Go live (January 1, 2008) <p>The proposed medical and other member benefits were discussed in the Closed Session of the Strategic Planning Committee meeting.</p> <p>Dr. Davis asked the CEO to summarize proposed name change for Alameda Alliance for Health. AAH engaged marketing consultants to conduct focus groups and to review the market to provide insights on how to be more competitive for all lines of business.</p> <p>Staff started discussion with the State Departments of Health Care Services and Managed Health Care met some opposition to changing the name.</p> <p>Staff will need to do more work to understand the State's objections. There was clearance to begin shorten the name for marketing the new Medicare business. It will be known as Alliance for Health CompleteCare (deleting use of "Alameda").</p>	None	The materials presented in closed session will be sent out to all Board members.

Agenda Item (& Supporting Documents)	Speaker	Discussion Highlights	Action	Follow-Up Required
Finance Committee <u>Three attachments</u> May Financial Report June Financial Report 07-08 Proposed Budget	J. Garcia	<p>Jane Garcia asked John Volkober (CFO) to provide highlights from the May and June financial reports.</p> <p>J. Volkober reported that for each month, there is a small unfavorable variance from budget. Medical expenses and profitability in each month were impacted negatively by changes in estimated medical expense for prior months. Excluding these items, net income for each month would have been positive.</p> <p>Year-to-date, there is a small unfavorable variance from net income/loss. Staff believe there could be smaller variance or positive variance if physician/medical group bonuses have not been given in this fiscal year for physician performance in FY 05-06.</p> <p>M. Mahoney asked for a motion accepting the May and June financial statements.</p> <p>CEO provided additional perspective on issues that may impact the organization's future financial position and suggested that it may be time for the Board to have another all-day strategic planning retreat to position the organization to deal with these issues. The issues included:</p> <ol style="list-style-type: none"> 1. Medi-Cal and Healthy Families enrollment trends and what our strategies are to increase membership. 2. The future of the Healthy Kids product line is questionable. If the program is not funded by the State, what does that mean for us? If the philanthropic agencies start to pull back their funding as they have already started to do, what does that mean for us? As a group what do you think we should be doing? 3. What are the potential opportunities and challenges if the health reform happens? 4. Medical rate increase – The budget has not passed yet, State staff has told us once it passes they will have a conversation with us about whether or not we are one of the agencies that will get a rate increase. They have not been forthcoming on how they will apply their new rate methodology and whether or not we will have an increase. 5. What are going to be our benchmarks for Medicare and what are our financial performance benchmarks in deciding whether we stay in or not. 6. We need to rethink our principles for provider sites and the pay-for-performance program. <p>Jane Garcia requested that health care performance be included as an issue. The group agreed.</p>	<p>Financial Report for Month & Year to Date Ended May 31, 2007 and June 30, 2007</p> <p>Motion: J. Garcia Second: G. Steele Vote: Unanimous</p> <p>None</p>	<p>None</p> <p>Staff will work with Board members' calendars to schedule an all-day retreat.</p>

Agenda Item (& Supporting Documents)	Speaker	Discussion Highlights	Action	Follow-Up Required
Finance Committee (Continued)	J. Garcia	Carol vanOosterwijk (Director of Planning & Budgeting) summarized the market pressures, member mix changes, and necessary administrative and capital investments that impact the development of next year's budget. Detail is in the attachment. The proposed budget projects a net operating loss of \$3.8 million leaving a Tangible Net Equity of \$21.4 million (compared to a pre-audit estimation of \$25.2 tangible net equity for FY 06).	Motion: J. Garcia Second: G. Steele Vote: Unanimous	None
Chief Medical Officer's Report <u>Two attachments</u> Mental Health Rpt Formulary Changes	A. Chen, MD	Per Board's request, Dr. Chen provided a report on utilization of mental health services by Alliance members. It appears that services are under-utilized if you compare utilization of Alliance members to a commercial population. It is difficult to make comparisons without additional information. Dr. Chen also described our efforts to work more closely with County Mental Health.	None	Dr. Davis asked for a report on what PBH (the delegated mental health provider) is paying its contracted network.
		Dr. Chen described changes to the formulary proposed or recommended by the Pharmacy and Therapeutics Committee. The Chair asked for a vote on the proposed changes	Motion: P. Gumbs Second: L. Price Vote: Unanimous	None
Other Business	M. Mahoney	None	None	None
Public Comments	M. Mahoney	None	None	None

Set Next Meeting Date

The next meeting date was set for Thursday, September 27, 2007.

Adjournment

The meeting was adjourned at 7:42 p.m.

Respectfully Submitted By:

Ingrid Lamirault, Secretary/Treasurer of the Board and CEO