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# Board of Governors Meeting Minutes



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BOARD OF GOVERNORS  
Regular Meeting Minutes  
Friday, July 14<sup>th</sup>, 2023  
12:00 p.m. – 2:00 p.m.

Video Conference Call and  
1240 S. Loop Road  
Alameda, CA 94502

## 1. CALL TO ORDER

**Board of Governors Present:** Rebecca Gebhart (Chair), Aarondeep Basrai, Dr. Rollington Ferguson, James Jackson, Dr. Marty Lynch, Jody Moore, Dr. Evan Seevak, Supervisor Lena Tam

**Board of Governors Remote:** Dr. Noha Aboelata (Vice-Chair), Natalie Williams

**Board of Governors Excused:** Byron Lopez, Dr. Michael Marchiano, Dr. Kelley Meade, Yeon Park, Andrea Schwab-Galindo

**Alliance Staff Present:** Matthew Woodruff, Dr. Steve O'Brien, Gil Riojas, Anastacia Swift, Ruth Watson, Sasi Karaiyan, Tiffany Cheang, Michelle Lewis, Paul Vang

Chair Gebhart called the regular Board of Governors meeting to order at 12:00 p.m.

## 2. ROLL CALL

Roll call was taken by the Clerk of the Board and confirmed the presence of a quorum.

## 3. AGENDA APPROVAL OR MODIFICATIONS

There were no modifications to the agenda.

***Follow Up:*** *Dr. Rollington Ferguson requested that an agenda item and/or resolution be added to a future meeting recommending the County not put the Oakport Street buildings on the market.*

## 4. INTRODUCTIONS

Matt Woodruff introduced Debbie Spray and Veronica Pap Rocki from the privacy department.

He also shared the sad news of the passing of Richard Tulio from RAM Core Systems and Maria Archuleta, who was the Chair of the Member Advisory Committee. The Board conveyed their heartfelt sympathies to the families affected by these losses.

## 5. CONSENT CALENDAR

- a) JUNE 9<sup>th</sup>, 2023, BOARD OF GOVERNORS MEETING MINUTES
- b) JUNE 9<sup>th</sup>, 2023, COMPLIANCE ADVISORY COMMITTEE MEETING MINUTES
- c) JULY 11<sup>th</sup>, 2023, FINANCE COMMITTEE MEETING MINUTES
- d) 2022 CASE MANAGEMENT & CARE COORDINATION, COMPLEX CASE MANAGEMENT & DISEASE MANAGEMENT PROGRAM EVALUATION
- e) 2023 CASE MANAGEMENT & CARE COORDINATION, COMPLEX CASE MANAGEMENT & DISEASE MANAGEMENT PROGRAM DESCRIPTION
- f) 2022 UTILIZATION MANAGEMENT PROGRAM EVALUATION
- g) 2023 UTILIZATION MANAGEMENT PROGRAM DESCRIPTION
- h) 2022 QUALITY IMPROVEMENT – PROGRAM EVALUATION
- i) 2023 QUALITY IMPROVEMENT – PROGRAM DESCRIPTION
- j) 2022 POPULATION HEALTH MANAGEMENT – EVALUATION
- k) 2023 POPULATION HEALTH MANAGEMENT – STRATEGY
- l) 2023 CULTURAL AND LINGUISTIC – PROGRAM DESCRIPTION
- m) RESOLUTION 2023-03 CHANGING MEMBERSHIP OF COMPLIANCE ADVISORY COMMITTEE TO 3-5 BOARD MEMBERS
- n) RESOLUTION 2023-04 CHANGING MEMBERSHIP OF EXECUTIVE COMMITTEE TO 3-5 BOARD MEMBERS
- o) RESOLUTION 2023-05 CHANGING MEMBERSHIP OF STRATEGIC PLANNING COMMITTEE TO 3-5 BOARD MEMBERS
- p) APPROVE STANDING COMMITTEE MEMBERSHIP

**Motion:** A motion was made by James Jackson and seconded by Supervisor Lena Tam to approve the Consent Calendar Agenda Items 5a through 5p.

**Vote:** The motion was passed unanimously.

**Ayes:** Aaron Basrai, Dr. Rollington Ferguson, James Jackson, Dr. Marty Lynch, Jody Moore, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

## 6. BOARD MEMBER REPORTS

### a) COMPLIANCE ADVISORY COMMITTEE

No update was provided due to the cancellation of the July 14th, 2023, Compliance Advisory Committee meeting.

### b) FINANCE COMMITTEE

Dr. Ferguson presented a brief update from the Finance Committee meeting held on July 11<sup>th</sup>, 2023. This update highlighted May's net income of \$17.3 million and the current Tangible Net Equity (TNE), which is noted as 778% of the required amount. Additionally, it was revealed that the current enrollment had reached 355,000 members, showing a steady increase. The Committee also proposed reducing the frequency of their meetings.

## 7. CEO UPDATE

CEO Matt Woodruff presented the following updates:

Financials:

- The May financials showed a net income of \$12.7 million and a year-end amount of \$91.6 million. The year-end projections for June are expected to be approximately \$100 million.

Community Reinvestment Presentation:

- The new DHCS contract requires managed care plans to invest a portion of any Medi-Cal net income into community reinvestment activities.
- Plans are required to allocate 5% of a plan's net income less than or equal to 7.5% of the annual Medi-Cal revenue to community reinvestment.
- The plan must allocate 7.5% of any amount of net income that is over 7.5% of total revenue to community reinvestment.
- The draft document for recruiting incentives for our network was sent out to board members to help review the program. If any other board members are interested in shaping the program, please contact Matt Woodruff. The goal is to have the draft finalized before the September meeting.

*Question: There has never been an aftercare program in any of the school environments for individuals with autism. Could some money be used in this area?*

*Answer: Once the necessary criteria are established, we can begin developing these programs. DHCS is seeking a multilayer approach that involves the Finance Committee and the Member Advisory Committee as separate boards. Ultimately, both committees will make recommendations to this body, leading to informed decisions.*

Key Performance Indicators:

- All regulatory metrics were met in the month of April.
- The Member Services call center reported an abandonment rate of 22% and 63% for calls answered in under 30 seconds for the month of May. Inbound call volume exceeded 21,000 as membership grew.
- The Information Technology Department fell below an internal up-time metric. The Alliance working with our external vendor RAM found that the system has a bug that is being fixed through a patch. The patch should be in place and fully tested by the middle of August.

#### Single Plan Model:

- Effective January 1<sup>st</sup>, 2024, Alameda Alliance will become the “Prime” Medi-Cal option for Alameda County residents enrolled in the Medi-Cal program.
- At the end of June, the DHCS sent out a 2024 transition guide.

Question: *When a member transitions from Anthem to the Alliance, is there a welcome or orientation protocol through member services?*

Answer: *Yes, a welcome packet includes a welcome letter, a new member ID card, and a new member orientation.*

Question: *Are we taking steps toward closing the gap or trying to make the difference closer to the rating of Kaiser patients?*

Answer: *The State is not looking at the groups differently. The Alliance is doubling down on our efforts for quality improvement and quality outreach campaigns and partnerships with providers and different initiatives to try and increase quality scores amongst our growing group of members, including those we'll be picking up from Anthem.*

**Follow-Up:** Chair Gebhart recommended that towards the end of the year, a presentation on quality measures and other related activities be given by Dr. O'Brien, subsequent to a more established program.

#### Continuous Coverage:

- The public health emergency has ended, and Medi-Cal redeterminations have started. The preliminary numbers for July are approximately 4,000 disenrollments.
- A reminder that a presentation will be given in September for July and August disenrollments and the overall performance for the first two months.
- Alameda Alliance for Health is partnering with Alameda County Social Services Agency on an outreach campaign to minimize the disruptions to county residents due to disenrollment from the Medi-Cal program.

#### Behavioral Health Integration Incentive Program:

- The incentive program is designed to incentivize improvement of physical and behavioral health outcomes, care delivery efficiency, and patient experience. The goal is to increase provider network integration at all levels of integration, focus on the new target population's health disparities, and improve the level of integration or impact of behavioral and physical health.

#### COVID-19 Vaccine Incentive Program:

- The incentive program began in October 2021 and ended on February 28<sup>th</sup>, 2022. The vaccine program targeted children and adults enrolled in Medi-Cal managed care, ages 12 and older.

## 8. BOARD BUSINESS

### a) REVIEW AND APPROVE MAY 2023 MONTHLY FINANCIAL STATEMENTS

In the May 2023 finance updates, CFO Gil Riojas shared the following information:

Executive Summary:

- For the month ended May 31<sup>st</sup>, 2023, the Alliance had an enrollment of 360,182 members, a Net Income of \$12.7 million, and 778% of the required Tangible Net Equity (TNE). We continued to see an increase in enrollment for May, and we'll see that in June as well.

Enrollment:

- Membership increased by about 2,000 members from the previous month and an increase of approximately 47,000 members from the end of last fiscal year.
- The Public Health Emergency (PHE) ended in May 2023. The Alliance expects disenrollment related to redetermination to restart in July 2023.

Net Income:

- For the month ended May 31<sup>st</sup>, 2023, the Actual Net Income reported was \$12.7 million, and a budgeted net loss of \$1.3 million.
- For the fiscal YTD ended May 31<sup>st</sup>, 2023, the Actual Net Income is \$91.6 million, and budgeted net income of \$17.3 million.

Revenue:

- For the month ending May 31<sup>st</sup>, 2023, the actual revenue is \$144.5 million, and the budgeted revenue is \$137.4 million.
- For the fiscal YTD that ended May 31<sup>st</sup>, 2023, the actual revenue is \$1.3 billion, and the budgeted revenue is \$1.3 billion.

Medical Expense:

- Medical expenses are growing due to the increase in enrollment. For the month ending May 31<sup>st</sup>, 2023, the actual medical expense is \$127.2 million, and the budgeted medical expense is \$131.7 million.
- For the fiscal YTD that ended May 31<sup>st</sup>, 2023, the actual medical expense is \$1.2 billion, and the budgeted medical expense is \$1.2 billion.

Medical Loss Ratio (MLR):

- The Medical Loss Ratio (total reported medical expense divided by operating revenue) was 88.1% for the month and 89.0% for the fiscal year-to-date.

Administrative Expense:

- For the month ending May 31<sup>st</sup>, 2023, the actual administrative expense is \$6.2 million, and the budgeted administrative expense is \$7.1 million.
- For the fiscal YTD that ended May 31<sup>st</sup>, 2023, the actual medical expense is \$64.7 million, and the budgeted administrative expense is \$74.3 million.

Other Income/ (Expense):

- One of the reasons we have such a healthy net income this year is due to our investments.
- Fiscal year-to-date net investments show a gain of \$13 million.
- Fiscal year-to-date claims interest expense due to delayed payment of certain claims or recalculated interest on previously paid claims is \$357,000.

Tangible Net Equity (TNE):

- As our net income continues to grow, our TNE grows as well. The Alliance exceeds DMHC's required TNE.

KP Corp Incident:

- The total cost incurred was approximately \$210,000 after taking into account factors such as FTE cost, overtime cost, printing and postage cost, and opportunity cost.

**Motion:** A motion was made by Dr. Rollington Ferguson and seconded by Dr. Marty Lynch to approve the May 2023 monthly financial statements.

**Vote:** The motion was passed unanimously.

**Ayes:** Aaron Basrai, Dr. Rollington Ferguson, James Jackson, Dr. Marty Lynch, Jody Moore, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

## **b) REVIEW AND APPROVE RESOLUTION 2023-06 SETTING FORTH CHANGES TO THE FINANCE COMMITTEE MEETING**

Gil Riojas presented a proposed schedule for the Finance Committee meetings. The schedule includes seven in-person meetings proposed for July, September, October, December, February, May, and June.

**Question:** *Is it possible to conduct the meetings in a virtual setting?*

**Answer:** *Unfortunately, it is not possible, as the meetings require a physical presence to establish a quorum.*

**Motion:** A motion was made by Aaron Basrai and seconded by Dr. Rollington Ferguson to approve Resolution 2023-06 setting forth changes to the finance committee meeting. The MLR above 110% cumulatively or in one month has changed to 105% as a financial metric warranting an in-person meeting.

**Vote:** The motion was passed unanimously.

**Ayes:** Aaron Basrai, Dr. Rollington Ferguson, James Jackson, Dr. Marty Lynch, Jody Moore, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

**c) REVIEW BOARD RECESS PRESENTATION AND APPROVE RESOLUTION 2023-01 CHANGING THE FREQUENCY OF BOARD OF GOVERNORS MEETINGS**

Matt Woodruff presented a proposal to change the frequency of the Board of Governors meetings. The proposal suggests that the BOG meetings be held eight (8) times a year, with one of them being a Board Retreat. Additionally, board packets will be distributed on the second Friday of the month during recess months, except for January and the Board retreat. The proposal also recommends that the BOG retreat be held on the last Friday of January from 10:30 a.m. to 4:00 p.m.

*Comment: Dr. Ferguson expressed his hope for a more detailed report to be distributed to all members during the recess months of August, November, February, and April for both the Finance Committee and BOG. Matt Woodruff added that the Board packets will continue to be distributed during these months.*

**Motion:** A motion was made by Dr. Marty Lynch and seconded by Jody Moore to approve Resolution 2023-01, changing the frequency of Board of Governors meetings.

**Vote:** Motion unanimously passed.

**Ayes:** Aaron Basrai, Dr. Rollington Ferguson, James Jackson, Dr. Marty Lynch, Jody Moore, Dr. Evan Seevak, Supervisor Lena Tam, Vice Chair Dr. Noha Aboelata, Chair Rebecca Gebhart.

No opposition or abstentions.

**d) ALLIANCE MEDICARE DUAL SPECIAL NEEDS PLAN OPTIONS UPDATE**

Matthew Woodruff, CEO, and Ruth Watson, COO, provided an update on the options for the Medicare Dual Special Needs Plan.

Key Points shared:

- CareAdvantage (the Health Plan San Mateo (HPSM)) would be responsible for all Medicare and Medi-Cal covered services for members enrolled in the plan.
- CareAdvantage would fully integrate all benefits for members and payments to providers.
- Each local plan would fully delegate most/all Medi-Cal covered services to CareAdvantage.
- Regional vs. Local Model presented.

Proposed Governance Structure:

- LLCs have Members which serve as governance for the entity. Each Member would consist of a participating Medi-Cal plan.
- Each Member Organization will appoint three individuals to serve as voting Board Members for LLC governance, as detailed in the articles of incorporation and by-laws. The individuals are:
  - CEO from each Medi-Cal plan
  - Consumer or community representative from each Medi-Cal plan
  - Participating provider representatives from each Medi-Cal plan
- In the case of two or four organizations participating, the CEOs will nominate an additional Board Member. Most items will be approved of by the majority of Board Members, except for specific exclusions, such as adding new Member Organizations, which require a unanimous or super-majority would apply.



#### Financing Model – Reserves and Start-Up:

- The LLC will sustain a reserve range between 400-600% of TNE, as defined by DMHC.
- HPSM will make an initial contribution of 600% of TNE to the entity.
- Other Local Plans will contribute \$10 million to join the LLC.

#### Timeline:

- Exploration of local plan interest and identification of regulatory barriers, if any: March 2023
- HPSM Commission approval to create subsidiary: August 2023
- Creation of LLC: September – October 2023
- Initiate filing Knox Keene License for new entity: October 2023
- Deadline for local plans to join: April 2024
- CMS and DMHC Service Area Expansion applications: November 2024
- CMS bid submission for newly expanded service area: June 2025
- DHCS demonstration
- Go-live date for expanded service area: January 2026

#### D-SNP Implementation:

- RFP issued February 2023
- Vendor selected April 2023 to assist staff with Feasibility Study, Application Process, Planning & Implementation
- Vendor Selection – Rebellis Group
- Kick-off 6/2023

#### Recommendation:

- Establish a local D-SNP under AAH for Alameda County dual-eligible members

Question: *What is the incentive or intention to have this LLC in place?*

Answer: *The plan was to initially have only one benefit package for the first few years, with all the plans working together to determine what works and what doesn't.*

Comment: *Dr. Marty Lynch added that this model encompasses all the plans, and it's worth considering whether a larger plan supported by multiple public plans could be more effective. It's reasonable to discuss whether we could achieve greater strength through collaboration. A reminder to people that were here for our last financial problems ten years ago that we failed at a Medicare plan, and the leadership at that time refused to seek Medicare expertise. This lack of expertise resulted in significant costs, including the loss of Medicare plans and help with the overall plan and eventually receivership. Therefore, it is crucial to consider the option of joining forces in a larger, more organized, and well-supported manner.*

Comment: *Chair Gebhart explained that when we mention "LLC running day-to-day responsibilities for the plan", we are referring to the handling of member services for Medicare, contracting for the provider network, and all other operational tasks that we currently manage for the Medi-Cal population. This would also include case management and medical management. However, we would still maintain control over our infrastructure and continue with our usual tasks. The LLC would be responsible for all operations and medical aspects while still having that governance oversight to keep an eye on.*

*Comment: Board member Jody Moore emphasized the significance of considering the beneficiaries when analyzing a model. As an example, Moore mentioned a 30-year-old successful inclusion model in Colorado that was observed. However, Moore cautioned against simply letting others take charge and recommended remaining involved to avoid any disconnect from the implementation process.*

*Comment: Dr. Ferguson, Dr. Basrai, Dr. Seevak and Chair Gebhart are in favor of the plan at the local level.*

*Informational item only.*

## **e) TRANSPLANTS OVERVIEW PRESENTATION**

During his update, Dr. Steve O'Brien shared information about Major Organ Transplants (MOT), which included:

- List of organs that can be transplanted and 2019 US data.
- Who can do transplants for Alliance members
- Phases of Transplants
  - Factors in Organ Allocation
- Costs associated with transplant
- Alliance MOT Costs (January 2022 – December 2022)
- MOT by Network
- MOT by Facility
- MOT Costs by Facility
- Costs by Organ Type
- Costs by Facility & Organ Type

Major Organ Transplants at AAH:

First Year – Key Points

- Access
  - Alliance members have access to excellent Centers of Excellence
  - UCSF is the prominent leader in member volume
  - Sutter still with high volume due to not moving established patients
  - Limited use of Stanford thus far
- Cost
  - Most members in pre or post-transplant
  - Relatively few are on a waiting list, and fewer have yet to get a physical transplant
  - Highest cost on inpatient and on kidney and BMT

*Question: Dr. Seevak asked if there are individuals who are eligible for a kidney transplant but not connected to a transplant center. Is it possible to find out?*

*Answer: Dr. O'Brien has informed us that authorizations are now required to visit UCSF and Stanford, which are both Centers for Excellence. This is to determine the number of referrals, especially for UCSF, which has the highest volume. The clinics at UCSF have long waiting lists, so it is important to determine the wait time for patients and provide them with information about other options if the wait is too long. We are actively gathering information to ensure that waiting or queuing is not a barrier to getting a transplant.*

## **9. STANDING COMMITTEE UPDATES**

### **a) PEER REVIEW AND CREDENTIALING COMMITTEE**

Dr. O'Brien provided an update on the Peer Review and Credentialing Committee meeting that met on June 20<sup>th</sup>. The committee approved 85 initial providers, including 54 new Behavioral Health providers and 30 recredentialed providers.

### **b) PHARMACY & THERAPEUTICS COMMITTEE**

An update was given by Dr. O'Brien regarding the meeting of the Pharmacy & Therapeutics Committee on June 20<sup>th</sup>. The committee reviewed 12 therapeutic categories and drug monographs and discussed 9 formulary modifications, 19 prior authorization guidelines, and 25 prior authorization guidelines.

### **c) CONSUMER MEMBER ADVISORY COMMITTEE**

No updates were provided.

## **10. STAFF UPDATES**

There were no staff updates.

## **11. UNFINISHED BUSINESS**

None.

## **12. STAFF ADVISORIES ON BOARD BUSINESS FOR FUTURE MEETINGS**

None.

## **13. PUBLIC COMMENT (NON-AGENDA ITEMS)**

There were no public comments for non-agenda items.

## **14. ADJOURNMENT**

Chair Gebhart adjourned the meeting at 2:05 p.m.