NOTICE REGARDING ALLIANCE BOARD MEETINGS

Until further notice, there will be no in-person public attendance at Alliance public meetings. Only Alliance Board members and identified Alliance employees will be permitted to attend in person. All other attendees, participants, and members of the public may participate via electronic means only.

Here is information to participate in the Alliance Board meeting on Thursday, October 5, 2023 at 4:00 pm:

- To participate via smart phone, computer or tablet, please register in advance at https://alliancehealthplan.zoom.us/meeting/register/tJ0vcOupjr8vE9Nae1RKp_i1RrmpZ2A82hQK

- To improve audio quality for all participants, please mute your device when you are not speaking and please unmute/speak only when recognized by the Board Chairperson.
AGENDA

1. Call to Order/Roll Call

2. Agenda Adjustments

3. Public Comments (5 minutes)

4. Chair’s Report (10 minutes)

5. CEO Report (10 minutes)

6. Consent Agenda (5 minutes)
   A. Draft Minutes from September 7, 2023, Board Meeting – page 4
   B. Executive Committee Report – page 8
   C. Quality Management Committee Report – page 11

   CEO Recommendation
   Approve the September 7, 2023, Board minutes; receive the committee reports.

7. Committee Reports
   A. Finance Committee Report – page 14
      The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Board, including reviewing/recommending budgets, audit reports, and financial statements. This Committee also reviews and recommends policies and procedures for managing contracts and other purchase of service arrangements. This month’s report includes documents and draft minutes from the previous meeting.

   B. Items Pulled from Consent Agenda (10 minutes)

   CEO Recommendation
   Receive the report; consider/approve the committee recommendations (e.g., contract approvals).

8. Closed Session (40 minutes)
   The Board will enter closed session pursuant to NC General Statute 143-318.11 (a) (1) and (a) (6) to prevent the disclosure of information that is confidential and not a public record under NCGS 122C-126.1 and to consider the qualifications, competence, and performance of an employee.
9. Reconvene Open Session

10. Special Update/Presentation: Review of the 2023 Appropriations Act (20 minutes) – page 24
Brian Perkins, Senior Vice-President/Strategy and Government Relations, will review the 2023-2025 state budget legislation passed by the NCGA (North Carolina General Assembly) on September 22, 2023.

CEO Recommendation
Receive the update/presentation.

11. Adjournment

Next Meeting: Thursday, November 2, 2023
5200 W. Paramount Parkway, Morrisville, NC 27560
ITEM:  Draft Minutes from the September 7, 2023, Board Meeting

DATE OF BOARD MEETING:  October 5, 2023

BACKGROUND:  The Alliance Health (Alliance) Board of Directors (Board) per North Carolina General Statute 122C is responsible for comprehensive planning, budgeting, implementing, and monitoring of community based mental health, developmental disabilities, and substance use/addiction services to meet the needs of individuals in Alliance’s catchment area. The minutes from the previous meeting are attached and submitted for review and approval by the Board.

SPECIFIC INFORMATION FOR BOARD REVIEW (if applicable/available):  N/A

REQUEST FOR AREA BOARD ACTION:  Approve the draft minutes from the September 7, 2023, Board meeting.

CEO RECOMMENDATION:  Approve the draft minutes from the September 7, 2023, Board meeting.

RESOURCE PERSON(S):  David Hancock, Board Chair; Robert Robinson, CEO
### MEMBERS PRESENT:
Glenn Adams, Cumberland County Commissioner, JD (via Zoom); Heidi Carter, Durham County Commissioner, MPH, MS (via Zoom); Carol Council, MSPH (via Zoom); George Corvin, MD (via Zoom); David Curro, BS; Dena Diorio, MPA (via Zoom); Ted Godwin, Johnston County Commissioner, via Zoom; Jean Hamilton, Orange County Commissioner, Ph.D (via Zoom); David Hancock, MBA, MPAff (Board Chair); D. Lee Jackson, BA (via Zoom); Michael Joseph, MD (via Zoom); Tchernavia Montgomery, MSW (via Zoom); Cheryl Stallings, Wake County Commissioner, PhD; and Anthony Trotman, MS (via Zoom)

### APPOINTED MEMBERS ABSENT:
Leigh Altman, Mecklenburg County Commissioner, JD; Vicki Evans; and Lynne Nelson, BS (Board Vice-Chair)

### GUEST(S) PRESENT:
Marie Dodson, Alliance CFAC Chairperson (via Zoom); Yvonne French, NC DHHS/DMH (Department of Health and Human Services/Division of Mental Health, Intellectual Disability, and Substance Abuse Services) (via Zoom); Robbie Locklear (via Zoom); and Annette Smith (via Zoom)

### ALLIANCE STAFF PRESENT:
Brandon Alexander, Communications and Marketing Specialist II (via Zoom); Dave Brown, Deputy Chief Information Officer (via Zoom); Joey Dorsett, Senior Vice-President/Chief Information Officer; Cheala Garland-Downey, Executive Vice-President/Chief Human Resources Officer; Kelly Goodfellow, Executive Vice-President/Chief Financial Officer; Sandhya Gopal, Senior Director of Government Relations (via Zoom); Veronica Ingram, Clerk to the Board; Joshua Knight, Director of Internal Audit (via Zoom); Robert MacArthur, Chief Medical Officer; Ann Oshel, Senior Vice-President/Community Health and Well-Being (via Zoom); Amy Perry, Senior Vice-President, Care Management; Monica Portugal, Executive Vice-President/Chief Risk and Strategy Officer; Robert Robinson, CEO; Sean Schreiber, Executive Vice-President/Chief Operating Officer; Tammy Thomas, Senior Vice-President/Business Operations; Dianna White, Senior Vice-President/Financial Operations; Sara Wilson, Chief of Staff; and Carol Wolff, General Counsel

#### 1. CALL TO ORDER:
Board Chair David Hancock called the meeting to order at 4:01 p.m.

<table>
<thead>
<tr>
<th>AGENDA ITEMS</th>
<th>DISCUSSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Agenda Adjustments</td>
<td>There were no adjustments to the agenda.</td>
</tr>
<tr>
<td>3. Public Comment</td>
<td>There were no public comments.</td>
</tr>
<tr>
<td>4. Chair’s Report</td>
<td>There was no report.</td>
</tr>
</tbody>
</table>
| 5. CEO’s Report | Mr. Robinson reported the following:  
  - Introduction of New Staff: Amy Perry, Senior Vice-President/Care Management  
  - Update/Video on the Tiny Homes Project, which is nearing completion.  
  - Upcoming Housing Documentary: an update will be shared with the board when the documentary is complete. |
| 6. Consent Agenda | A. [Draft Minutes from September 7, 2023, Board Meeting – page 4](#)  
B. [Audit and Compliance Committee Report – page 8](#)  
C. [Executive Committee Report – page 19](#)  
D. [Quality Management Committee Report – page 21](#)  
 The consent agenda was sent as part of the Board packet; it is attached to and made part of these minutes. There were no comments or discussion about the consent agenda. |

### BOARD ACTION:
A motion was made by Mr. Curro to adopt the consent agenda; motion seconded by Dr. Corvin. Motion passed unanimously.
### AGENDA ITEMS: DISCUSSION:

7. Committee Reports

<table>
<thead>
<tr>
<th>A. Consumer and Family Advisory Committee – page 24</th>
<th>The Alliance Consumer and Family Advisory Committee (CFAC) is composed of consumers and/or family members from Durham, Wake, Cumberland, Johnston, Orange, or Mecklenburg counties who receive mental health, intellectual/developmental disabilities, or substance use/addiction services. A schedule of the CFAC committee meetings is available on Alliance’s website. This report included draft minutes and documents recent steering and county subcommittee meetings.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marie Dodson, CFAC Chair, presented the report. Ms. Dodson reported results of recent elections for chair and vice-chair of the steering committee and each county subcommittee; she shared upcoming events such as the September 23, 2023, CFAC retreat and upcoming events in each county. The CFAC report is attached to and made part of these minutes.</td>
<td></td>
</tr>
</tbody>
</table>

**BOARD ACTION**

The Board received the report.

<table>
<thead>
<tr>
<th>B. Finance Committee Report – page 60</th>
<th>The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Board, including reviewing/recommending budgets, audit reports, and financial statements. This Committee also reviews and recommends policies and procedures for managing contracts and other purchase of service arrangements. This month’s report included documents and draft minutes from the previous meeting and a contract recommendation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Hancock, Committee Chair, presented the report including an overview of two contracts reviewed by the committee and recommended for approval. Joey Dorsett, Senior Vice-President/Chief Information Officer, provided background on the Inovalon contract. Kelly Goodfellow, Executive Vice-President/Chief Financial Officer, provided background information on the Savin Grace contract. The Finance Committee report is attached to and made part of these minutes.</td>
<td></td>
</tr>
</tbody>
</table>

**BOARD ACTION**

A motion was made by Commissioner Stallings to authorize the CEO to amend a contract with Inovalon, Inc. for Tailored Plan HEDIS Reporting requirements for fixed fees not to exceed $166,487 per year and for a per member per month rate of $0.253. Motion passed unanimously.

A motion was made by Chair Hancock to authorize the CEO to increase the grant agreement with Savin Grace by $130,000 for a total not to exceed $824,742; motion seconded by Ms. Montgomery. Motion passed unanimously.

8. Closed Session(s)

**BOARD ACTION**

A motion was made by Mr. Curro to enter closed session pursuant NC General Statute 143-318.11 (a) (1) to prevent the disclosure of information that is confidential and not a public record under NCGS 122C-126.1; motion seconded by Dr. Corvin. Motion passed unanimously.

9. Reconvene Open Session

The Board returned to open session.
## AGENDA ITEMS:

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. Special Update/Presentation: Physical Health Integration – page 72</td>
<td>Robert MacArthur, MD, Chief Medical Officer, reviewed clinical functions for Alliance to expand behavioral health services to Alliance members enrolled in the Tailored Plan. Dr. MacArthur’s presentation included an overview of the following: efforts to build physical health capabilities; a focus on medical team staffing and initiatives; utilization management process; quality management team’s preparation for expanded NCQA accreditation; physical health pharmacy support plans; and outcomes monitoring. The presentation is saved as part of the board’s files.</td>
</tr>
<tr>
<td>11. Adjournment</td>
<td>All business was completed; the meeting adjourned at 5:33 p.m.</td>
</tr>
</tbody>
</table>

**BOARD ACTION**

The Board received the update/presentation.

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**Next Board Meeting**

Thursday, October 05, 2023

4:00 – 6:00 pm

Minutes approved by Board on Click or tap to enter a date..
ITEM: Executive Committee Report

DATE OF BOARD MEETING: October 5, 2023

BACKGROUND: The Executive Committee sets the agenda for Board meetings and acts in lieu of the Board between meetings. The Executive Committee may act on matters that are time-sensitive between regularly scheduled Board meetings and fulfill other duties as set forth in the by-laws or as otherwise directed by the Board of Directors. Actions by the Executive Committee are reported to the full Board at the next scheduled meeting.

This report includes draft minutes from the previous meeting.

SPECIFIC INFORMATION FOR BOARD REVIEW (if applicable/available): N/A

REQUEST FOR AREA BOARD ACTION: Receive the report.

CEO RECOMMENDATION: Receive the report.

RESOURCE PERSON(S): David Hancock, Board Chair; Robert Robinson, CEO
**BOARD EXECUTIVE COMMITTEE - REGULAR MEETING**

*Monday, September 18, 2023*
*(virtual meeting via videoconference)*
*4:00-6:00 p.m.*

**APPOINTED MEMBERS PRESENT:** David Curro, BS (Audit and Compliance Committee Chair, Client Rights/Human Rights Committee Chair); David Hancock, MBA, PFAff (Board Chair and Finance Committee Chair); and Lynne Nelson, BS (Board Vice-Chair)

**APPOINTED MEMBERS ABSENT:** Carol Council, MSPH (Quality Management Committee Chair); and Dena Diorio, MPA (Network Development and Services Committee Chair)

**BOARD MEMBERS PRESENT:** None

**GUEST(S):** None

**STAFF PRESENT:** Veronica Ingram, Clerk to the Board; Brian Perkins, Senior Vice-President/Strategy and Government Relations; Robert Robinson, CEO; Sara Wilson, Chief of Staff; and Carol Wolff, General Counsel

1. **WELCOME AND INTRODUCTIONS** – the meeting was called to order at 4:00 pm

2. **REVIEW OF THE MINUTES** – The Committee reviewed minutes from the August 21, 2023, meeting; a motion was made by Mr. Curro and seconded by Vice-Chair Nelson to approve the minutes. Motion passed unanimously.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Closed Session</td>
<td>COMMITTEE ACTION: A motion was made by Chair Hancock to enter closed session pursuant to NC General Statute 143-318.11 (a) (6) to consider the qualifications, competence, and performance of an employee. Motion passed unanimously.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4. Reconvene Open Session</td>
<td>Committee returned to open session.</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
| 5. Annual Trainings | A. COMMITTEE CHARTER: Mr. Robinson reviewed the committee charter. The charter is saved as part of the committee’s files.  
B. QUICK REFERENCE GUIDE: Ms. Ingram reviewed the guide, which is a reference sheet for two annual trainings (as specified in the charter): parliamentary procedures and NC Open Meetings Law. The guide and trainings are saved as part of the committee’s files. | None specified. | N/A |
| 6. Updates | A. BOARD COMPENSATION: Carol Wolff, General Counsel, provided an update on a previous question/request from Vice-Chair Nelson. She clarified that board members are receiving the maximum meeting compensation permitted by statute. Also, board members may request mileage and expense reimbursement per Alliance policy guidelines. Committee discussed adding the following to chair notes for the next board meeting: asking members to attend a meeting in person at least once a quarter.  
B. LEGISLATIVE UPDATE: Brian Perkins, Senior Vice-President/Strategy and Government Relations, provided an update. | A. Chair Hancock will encourage board members to attend board meetings in person as part of October board meeting’s Chair Report.  
B. N/A | A. 10/5/23  
B. N/A |

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date; minutes approved on Click or tap to enter a date.
AGENDA ITEMS: |
| DISCUSSION: |
| NEXT STEPS: |
| TIME FRAME: |
| 7. Review of Board Applicant Interview | Chair Hancock reviewed last month’s interview with an applicant for the vacant seat representing Durham County. Committee discussed potential impact of NC General Assembly passing the state budget, implementation of Medicaid Expansion, and if the number of NC LME/MCOs is adjusted, how it may affect the future allocation of board seats. | N/A | 10/5/23 |
| 8. Agenda for Upcoming Board Meeting | Committee reviewed the draft agenda and provided input. | Ms. Ingram will forward the agenda to staff. | 9/19/23 |

9. **ADJOURNMENT:** the meeting adjourned at 5:31 p.m.; the next meeting will be October 16, 2023, at 4:00 p.m.
ITEM: Quality Management Committee Report

DATE OF BOARD MEETING: October 5, 2016

BACKGROUND: The Quality Management (QM) Committee serves as the Board’s monitoring and evaluation committee charged with the review of statistical data and provider monitoring reports. The goal of the committee is to ensure quality and effectiveness of services and to identify and address opportunities to improve LME/MCO operations and local service system with input from consumers, providers, family members, and other stakeholders.

SPECIFIC INFORMATION FOR BOARD REVIEW (if applicable/available): N/A

REQUEST FOR AREA BOARD ACTION: Receive the report.

CEO RECOMMENDATION: Receive the report.

RESOURCE PERSON(S): Carol Council, Committee Chair; Laura Bardascino, Director of Quality Management
1. WELCOME AND INTRODUCTIONS – The meeting was called to order at 1:07pm

2. REVIEW OF THE MINUTES – The minutes from the August 3, 2023, meeting were reviewed; a motion was made by Ms. Dodson and seconded by Mr. Pattison to approve the minutes. Motion passed unanimously.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Alliance Health Call Metrics</td>
<td>Suzanne Davis-Marens, Senior Director of Access presented updates on the Alliance Call Center. The information shared included abandonment rate, average speed of answer and wait time for calls coming from the Call Center for the Behavioral Health Crisis Line, as well as the Member and Provider lines. The target abandonment rate for the Behavioral Health Crisis Line at Alliance is no more than 2%. It is no more than 5% for the Member and Provider Lines. The presentation can be located in the committee files.</td>
<td>N/A</td>
<td>1:07- 1:25</td>
</tr>
<tr>
<td>4. Population Health</td>
<td>Amy Perry, Senior Vice President of Care Management presented information about population health which included, requirements for population health initiatives, current interventions, tailor plan delay, as well as data exploration and prediction. The purpose of data exploration and prediction is to help staff to better understand needs of members from different populations. The presentation can be located in the committee files.</td>
<td>N/A</td>
<td>1:25- 2:05</td>
</tr>
</tbody>
</table>
6. **ADJOURNMENT**: The meeting adjourned at 2:08 pm; the next meeting will be October 5, 2023, from 1:00 p.m. to 2:30 p.m.

<table>
<thead>
<tr>
<th>AGENDA ITEMS:</th>
<th>DISCUSSION:</th>
<th>NEXT STEPS:</th>
<th>TIME FRAME:</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Discussions for Next Meeting- October 5th, 2023</td>
<td>N/A</td>
<td>N/A</td>
<td>2:05-2:08</td>
</tr>
</tbody>
</table>
ITEM: Finance Committee Report

DATE OF BOARD MEETING: October 5, 2023

BACKGROUND: The Finance Committee’s function is to review financial statements and recommend policies/practices on fiscal matters to the Board, including reviewing/recommending budgets, audit reports, and financial statements. This Committee also reviews and recommends policies and procedures for managing contracts and other purchase of service arrangements.

This month’s report includes documents and draft minutes from the previous meeting.

SPECIFIC INFORMATION FOR BOARD REVIEW (if applicable/available): A motion to authorize the CEO to renew the contract with ZeOmega, Inc., for the term of October 16, 2023, through October 15, 2028, for an amount not to exceed $6,811,000.

A motion to approve the one-year reinvestment plan of $20,700,000 and commit $21,092,562 as of June 30, 2023.

REQUEST FOR AREA BOARD ACTION: Approve the proposal.

CEO RECOMMENDATION: Approve the proposal.

RESOURCE PERSON(S): David Hancock, Committee Chair; Kelly Goodfellow, Executive Vice-President/Chief Finance Officer
Renewal Contract for ZeOmega, Inc. – JIVA

Alliance Health has been utilizing the ZeOmega Jiva Population Health Platform to support our Care Management, Utilization Management, Provider and Member Portal contract requirements since 2018. We are requesting approval to renew the existing contract for the time period 10/16/2023 – 10/15/2028, for an amount not to exceed $6,811,000. This is a reduction of over $485,000 from the current 5-year contract.

This amount includes –

- JIVA software license fees for Alliance Care and Utilization management team members, clinical operations, and user access to the provider and member portals.
- Annual third-party module integration, maintenance, and support fees.
- Annual software maintenance and support, including support for a major software upgrade planned for year 3 of the contract.
- The annual software and content license fees for various third-party modules such as Healthwise (member health educational materials) and MCG (evidence-based clinical guidelines).
- JIVA and portal system hosting, network and security services, hardware and software purchases and maintenance, support, and disaster recovery for 5 Environments – DEV, UAT, Production, Sandbox and Provider Training.
- Budget placeholder for Software Customizations to Meet Alliance and State Tailored Plan Contract Enhancements to the Core JIVA Products.

Jiva currently supports the following Alliance Departments and Tailored Plan Contract Requirements –

Core JIVA System -

- Care Management – All Care Management Activities including Workflows, Care Plans, Triggered Alerts and Activities, etc.
- Utilization Management – All Utilization Management Activities, including integration with the MCG Health evidence-based care guidance platform to support medical necessity decisions by the Alliance UM Team.
- Provider Portal – Supports the care management Tailored Care Management activities for 14 providers. Future implementation for support of Prior Authorization submissions and automated approvals for the providers.
- Member Portal – Meets Tailored Plan contract requirements for Member access to health care information, claims, care plans, appeals and grievance submissions, etc.
Additional ZeOmega and Third-Party Modules -

- ClicBank – JIVA Configuration Tool – Supports Assessments, Custom Letters, Workflows, Drop-Down Maintenance, etc. and migration controls between the various System Environments.

- CMS Data Interoperability – Support for Payer to Member and Payer to Payer data integration requirements for seamless data exchange as required by the 21st Century Cures Act.

- Social Determinants of Health – Assembles data from Alliance assessments and claims, along with member demographics and various governmental databases to identify geographic areas of social concern, to monitor referrals and to track interactions with various resources to improve member care and outcomes. Future implementation will support bi-directional data integration with the NCCare360 referral platform.

- Risk Stratification – Provides identification of the drivers of disease, stratifies populations based on risk scores, and intelligently routes members to the care management workflows designed to address their specific care needs.

- Artificial Intelligence/Machine Learning – Predictive analytics model to identify high risk members for Opioid Dependencies. Currently working on a model to predict members at a high risk of developing Diabetes.

- HealthWise Integration – Support for Member Health Education Materials that can be identified and provided to Members by care managers to improve member knowledge about their health conditions and to make informed decisions about their health care.

- MCG Integration – Integration of the MCG CareWebQI product into Jiva to support the Alliance utilization management automated approval workflows and into the Jiva provider portal to record and track evidence-based clinical guidelines to identify safe and effective treatments and guide the appropriate level of Behavioral and Physical Healthcare for our members.

A motion to recommend the Board authorize the CEO to renew the contract with ZeOmega, Inc for the term of October 16, 2023, through October 15, 2028, for an amount not to exceed $6,811,000
### APPOINTED MEMBERS PRESENT:
- Dena Diorio, MPA
- Vicki Evans (remote)
- David Hancock, Committee Chair, MBA, MPA
- D. Lee Jackson, BA

### BOARD MEMBERS PRESENT:
None

### GUEST(S) PRESENT:
None

### STAFF PRESENT:
- Rob Robinson, CEO
- Kelly Goodfellow, Executive Vice-President/Chief Financial Officer
- Ashley Snyder, Senior Director of Accounting and Finance
- Dianna White, Senior Vice-President/Financial Operations
- Arieanna Perry, Senior Accountant

## 1. WELCOME AND INTRODUCTIONS
The meeting was called to order at 3:00pm.

## 2. REVIEW OF THE MINUTES
The minutes from the August 3, 2023, meeting were reviewed; a motion was made by Ms. Diorio and seconded by Mr. Jackson to approve the minutes. Motion passed unanimously.

## AGENDA ITEMS:  
### DISCUSSION:  
### NEXT STEPS:  
### TIME FRAME:

| 3. Monthly Financial Report | The monthly financial reports were discussed which includes Summary of Savings/(Loss) by Funding Source, the Statement of Revenue and Expenses, Senate Bill 208 Required Ratios, and DHB Contract Ratios as of July 31, 2023. Ms. White discussed the following topic.  
- Through 7/31/23, we have savings of $13.6M, primarily Medicaid.  
- Changes were made to the Summary of Savings and Loss to condense the information to one page.  
- We are meeting all SB208 ratios. We are meeting the defensive interval required in the DHB contract, the MLR is currently above the 85% threshold at 87.36%. | No next steps. |  |
| 4. Contract | Ms. White discussed a proposed grant contract increase for Savin Grace, LLC to continue to assist with payroll until the facility can open. A motion was made by Ms. Diorio and seconded by Mr. Jackson to recommend the Board authorize the CEO to increase the amended grant agreement with Savin Grace LLC by $130,000, bringing the total grant agreement to $824,742. Motion passed unanimously.  
Ms. White discussed a proposed contract amendment and extension for Inovalon, Inc. A motion was made by Mr. Jackson and seconded by Ms. Diorio to recommend the Board authorize the CEO to amend a contract with Inovalon, Inc. for Tailored Plan HEDIS Reporting requirements for fixed fees not to exceed $166,487 per year and for a per member per month rate of $0.253. Motion passed unanimously. | No next steps. |  |

Draft minutes may be submitted with the monthly Board packet. Minutes will be approved by this Committee at a later date; minutes approved on Click or tap to enter a date.
5. **ADJOURNMENT:** the meeting adjourned at 3:17pm; the next meeting will be October 5, 2023, from 3:00 p.m. to 4:00 p.m.
Finance Committee Meeting
Thursday, September 7, 2023
3:00-4:00 pm

AGENDA

1. Review of the Minutes – August 3, 2023

2. Monthly Financial Reports as of July 31, 2023
   a. Summary of Savings (Loss) by Funding Source
   b. Statement of Revenue and Expenses (Budget & Actual)
   c. Senate Bill 208 Ratios
   d. DHB Contractual Ratios

3. Contract(s)
   a. A motion to recommend the Board authorize the CEO to amend a contract with Inovalon, Inc. for Tailored Plan HEDIS Reporting requirements for fixed fees not to exceed $166,487 per year and for a per member per month rate of $0.253.

   b. A motion to recommend the Board authorize the CEO to increase the amended grant agreement with Savin Grace, LLC by $130,000, bringing the total grant agreement to $824,742.

4. Adjournment
### Summary of Savings/(Loss) by Funding Source as of July 31, 2023

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Expense</th>
<th>Savings/(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Waiver Services</td>
<td>$74,048,425</td>
<td>$61,892,040</td>
</tr>
<tr>
<td>Medicaid Waiver Risk Reserve</td>
<td>$1,873,984</td>
<td>-</td>
</tr>
<tr>
<td>Federal Grants &amp; State Funds</td>
<td>$7,626,374</td>
<td>$7,840,204</td>
</tr>
<tr>
<td>Local Funds</td>
<td>$2,483,814</td>
<td>$2,484,512</td>
</tr>
<tr>
<td>Administrative</td>
<td>$10,875,249</td>
<td>$11,687,366</td>
</tr>
<tr>
<td>Non operating</td>
<td>$643,380</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$97,551,226</strong></td>
<td><strong>$83,904,122</strong></td>
</tr>
</tbody>
</table>

### Fund Balance Detail

<table>
<thead>
<tr>
<th>June 30, 2023</th>
<th>Change</th>
<th>July 31, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Fixed Assets</td>
<td>8,317,462</td>
<td>(76,432)</td>
</tr>
<tr>
<td>Restricted - Risk Reserve</td>
<td>155,331,704</td>
<td>1,873,985</td>
</tr>
<tr>
<td>Restricted - Other</td>
<td>16,805,997</td>
<td>-</td>
</tr>
<tr>
<td>Prepaids</td>
<td>2,097,230</td>
<td>741,873</td>
</tr>
<tr>
<td>Cumberland</td>
<td>3,319,821</td>
<td>-</td>
</tr>
<tr>
<td>Durham</td>
<td>109,482</td>
<td>-</td>
</tr>
<tr>
<td>Restricted - Other</td>
<td>22,332,530</td>
<td>741,873</td>
</tr>
<tr>
<td>Total Committed</td>
<td>29,370,174</td>
<td>(959,305)</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>90,696,011</td>
<td>12,066,983</td>
</tr>
<tr>
<td><strong>Total Fund Balance</strong></td>
<td><strong>$306,047,880</strong></td>
<td><strong>$13,647,104</strong></td>
</tr>
</tbody>
</table>

| Restricted | 2,539,426 |
| Unrestricted | 11,107,678 |

| **Total Fund Balance Change** | **$13,647,104** |
Alliance Health  
Statement of Revenue and Expenses  
As of July 31, 2023

<table>
<thead>
<tr>
<th>Revenue</th>
<th>For the Month of 07/31/2023</th>
<th>Current Year Budget 06/30/2024</th>
<th>Budget Remaining 06/30/2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid Waiver Service</td>
<td>75,922,409</td>
<td>1,264,983,710</td>
<td>1,189,061,301</td>
</tr>
<tr>
<td>State and Federal Grants</td>
<td>7,626,374</td>
<td>121,376,073</td>
<td>113,749,699</td>
</tr>
<tr>
<td>Local Grants</td>
<td>2,483,814</td>
<td>53,632,970</td>
<td>51,149,156</td>
</tr>
<tr>
<td>Total Service Revenue</td>
<td>86,032,597</td>
<td>1,439,992,753</td>
<td>1,353,960,156</td>
</tr>
<tr>
<td>Administrative Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid Waiver</td>
<td>10,099,513</td>
<td>169,385,832</td>
<td>159,286,319</td>
</tr>
<tr>
<td>State and Federal Service</td>
<td>577,637</td>
<td>6,931,637</td>
<td>6,354,000</td>
</tr>
<tr>
<td>Local</td>
<td>76,813</td>
<td>922,029</td>
<td>845,216</td>
</tr>
<tr>
<td>Other Lines of Business</td>
<td>121,286</td>
<td>1,455,432</td>
<td>1,334,146</td>
</tr>
<tr>
<td>Total Administrative Revenue</td>
<td>10,875,249</td>
<td>178,694,930</td>
<td>167,819,681</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>96,907,846</td>
<td>1,618,687,683</td>
<td>1,521,779,837</td>
</tr>
</tbody>
</table>

| Expenses                           |                             |                               |                             |
| Service Expense                    |                             |                               |                             |
| Medicaid Waiver Service            | 61,892,040                  | 1,264,983,710                 | 1,203,091,670               |
| State and Federal Service          | 7,840,204                   | 121,376,073                   | 113,535,869                 |
| Local Service                      | 2,484,512                   | 53,632,970                    | 51,148,458                  |
| Total Service Expense              | 72,216,756                  | 1,439,992,753                 | 1,367,775,997               |
| Administrative Expense             |                             |                               |                             |
| Salaries and Benefits              | 9,657,586                   | 125,412,762                   | 115,755,196                 |
| Professional Services              | 877,009                     | 23,423,549                    | 22,546,540                  |
| Operational Expenses               | 1,152,771                   | 29,858,599                    | 28,705,828                  |
| Total Administrative Expense       | 11,687,366                  | 178,694,930                   | 167,007,584                 |
| Total Expenses                     | 83,904,122                  | 1,618,687,683                 | 1,534,783,561               |

Non Operating  
Non Operating Revenue 843,380,000 1,000,000 356,620  
Non Operating Expense 0 1,000,000 0  
Total Non Operating 843,380 0 (643,380)  

Current Year Change in Net Position 13,647,104 0 (13,647,104)
**Current Ratio** = Compares current assets to current liabilities. Liquidity ratio that measures an organization's ability to pay short term obligations. The requirement is 1.0 or greater.

**Percent Paid** = Percent of clean claims paid within 30 days of receiving. The requirement is 90% or greater.
**Division of Health Benefits Ratios - As of July 31, 2023**

**DEFENSIVE INTERVAL**

- **Benchmark**
- **Alliance**

**Medical Loss Ratio (MLR)** = Total Services Expenses plus Administrative Expenses that go towards directly improving health outcomes divided by Total Medicaid Revenue. The requirement is 85% or greater cumulative for the rating period (7/1/22-3/31/23). The requirement for Medicaid Direct is 85% or greater cumulative for the rating period (4/1/23-6/30/24). The requirement for Tailored Plan is 88% or greater cumulative for the rating period.
ITEM: Review of the 2023 Appropriations Act (HB 259) (state budget legislation for Fiscal Year 2023-25)

DATE OF BOARD MEETING: October 5, 2023

BACKGROUND: Review the state budget legislation passed by the North Carolina General Assembly on September 22, 2023.

SPECIFIC INFORMATION FOR BOARD REVIEW (if applicable/available): N/A

REQUEST FOR AREA BOARD ACTION: Accept the report.

CEO RECOMMENDATION: Accept the report.

RESOURCE PERSON(S): Brian Perkins, Senior Vice-President/Strategy and Government Relations