

SANTA CRUZ SENTINEL
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ALAMEDA — After teetering on the edge of insolvency last year, Alameda County's public health insurance provider has turned its finances around, prompting the state to return it to local control.

The state seized Alameda Alliance for Health in 2014, saying the insurance plan was at risk of going under. Alameda Alliance covers more than 250,000 low-income people, most of them on Medi-Cal.

"We're a lot stronger plan now, and I think we're doing well," said Marty Lynch, an Alameda Alliance board member.

Alameda Alliance has improved its tangible net equity, going from a \$6.2 million deficit in May 2013 to a \$75.3 million surplus in June of this year and currently a \$105 million surplus. Tangible net equity is a benchmark state regulators use to determine financial solvency.

The California Department of Managed Health Care appointed Mark Abernathy of Berkeley Research Group as conservator in 2014 after finding that the plan failed to process and promptly pay tens of thousands of medical claims, which could have endangered its enrollees' care.

Alameda Alliance now is paying claims promptly, and its workers are answering telephone calls much faster: 80 percent in 30 seconds or less. Before, there were complaints callers would be on hold for as long as hours.

"The goal of the conservatorship has always been to bring the plan into a healthy financial condition and transition the plan back to local control," said Shelley Rouillard, Department of Managed Health Care director.

"I am very proud of all the work accomplished by the DMHC, the conservator and the staff at Alameda Alliance over the last year to get to this point," she said.

Alameda Alliance was overwhelmed when its enrollment jumped by more than 50,000 in early 2014 as people began signing up under the Affordable Care Act, local health leaders said earlier. It also struggled with a new computer system.

Alameda Alliance is no longer part of the Covered California network, the state's Affordable Care Act exchange.

In his September report, Abernathy said Alliance has reined in its capital spending. That is a far cry from his criticism in a 2014 report. "The Alliance has no control over its spending," he wrote then.

Alameda Alliance also has a new management team. Scott Coffin was hired as CEO in May. Coffin previously oversaw Anthem Blue Cross' services to Medi-Cal customers in 18 counties. He has worked in health care leadership for more than 20 years.

The state had fired Alliance's previous top executives, escorting its former CEO Ingrid Lamirault and others out of the health plan's office near Oakland International Airport.

"The transition from conservatorship to local control is a significant accomplishment for the Alliance," Coffin said.

The state returned Alameda Alliance, which was formed in 1996, to local control at the end of October.

"We are committed to improving access to quality health care services for Alameda County residents," Coffin said.