

**Ventura County Medi-Cal Managed Care Commission (VCOMMCC)
dba Gold Coast Health Plan (GCHP)**

Executive/Finance Committee Regular Meeting

Regular Meeting

Thursday, June 8, 2017 – 3:00 p.m.

Community Room at Gold Coast Health Plan

711 E. Daily Drive, Suite 106, Camarillo, CA 93010

AMENDED AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCOMMCC) doing business as Gold Coast Health Plan Executive/Finance Committee (EFC) on the agenda. Persons wishing to address EFC should complete and submit a speaker card.

Persons wishing to address EFC are limited to three minutes. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Committee.

CONSENT CALENDAR

- 1. Approval of the Executive/Finance Committee Regular Minutes of January 5, 2017.**

Staff: Tracy Oehler, Clerk of the Board

RECOMMENDATION: Approve the minutes.

FORMAL ACTION ITEMS

- 2. April 2017 Fiscal Year to Date Financials**

Staff: Patricia Mowlavi, Chief Financial Officer

RECOMMENDATION: Accept the April 2017 Fiscal Year to Date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

3. Gold Coast Health Plan Budget Fiscal Year 2017-2018

Staff: Patricia Mowlavi, Chief Financial Officer

RECOMMENDATION: Accept the Gold Coast Health Plan Budget for Fiscal Year 2017-2018 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

REPORTS

4. Implementation of OptumRx Update

Staff: Anne Freese, PharmD, Director of Pharmacy

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on <http://goldcoasthealthplan.org>. Materials related to an agenda item submitted to the Committee after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Board.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5509. Notification for accommodation must be made by the Tuesday prior to the meeting by 3 p.m. will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.

AGENDA ITEM NO. 1

Ventura County Medi-Cal Managed Care Commission (VCMMCC) Executive/Finance Committee

January 5, 2017 Regular Meeting Minutes

CALL TO ORDER

Committee member Darren Lee called the meeting to order at 3:06 p.m. in the Bell Canyon Conference Room located at Gold Coast Health Plan, 770 Paseo Camarillo, 2nd Floor, Camarillo, California.

ROLL CALL

Present: Committee members Antonio Alatorre, Darren Lee, Catherine Rodriguez (arrived 3:08 p.m.) and Jennifer Swenson.

Absent: Committee member Gagan Pawar, M.D.

PUBLIC COMMENT

None.

CONSENT CALENDAR

1. **Approval of the Executive/Finance Committee Regular Minutes of September 1, 2016**

RECOMMENDATION: Approve the minutes.

Committee member Alatorre moved to approve the recommendation. Committee member Lee seconded. The vote was as follows:

AYES: Committee members Alatorre, Lee, and Swenson.

NOES: None.

ABSENT: Committee members Pawar and Rodriguez.

Committee member Lee declared the motion carried.

2. **Approval of the 2017 Executive/Finance Committee Meeting Calendar**

RECOMMENDATION: Approve the 2017 Executive/Finance Committee Meeting Calendar.

Committee member Alatorre moved to approve the recommendation. Committee member Lee seconded. The vote was as follows:

AYES: Committee members Alatorre, Lee, and Swenson.

NOES: None.

ABSENT: Committee members Pawar and Rodriguez.

Committee member Lee declared the motion carried.

FORMAL ACTION ITEMS

3. November 2016 Fiscal Year to Date Financials

RECOMMENDATION: Accept the November 2016 Fiscal Year to Date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

Committee member Rodriguez arrived at 3:08 p.m.

Patricia Mowlavi, Chief Financial Officer, reviewed the November 2016 financials including the change in the Managed Care Organization (MCO) tax due to the passing of SB X2-2 effective July 1, 2016, which changed the methodology for computation and timing of payment.

A discussion followed between the Committee members and staff regarding the Tangible Net Equity (TNE) being at 576% of the required level. Ms. Mowlavi stated the targeted amount is based on an outside consultant's, Kaiser Associates, three-year economic forecast for Ventura County as being volatile in economic growth and politics, and to be able to initiate the Alternative Resources for Community Health (ARCH) program. Direction was given to staff to develop a plan to expedite putting funds back into the community. It was noted at the last Ventura County Medi-Cal Managed Commission meeting, the Plan had allocated \$42 million in additional rates including a 13.5% increase in base rates, an increase in rates for PCP and specialists, and a 20% rate increase for Skilled Nursing Facilities (SNF). Through the ARCH program, \$12 million is allocated for value-based programs with the focus being on pay for performance.

The Committee unanimously agreed to hear Agenda Item No. 11 – Alternative Resources for Community Health Program Overview.

11. Alternative Resources for Community Health (ARCH) Program Overview

RECOMMENDATION: Accept and file the report.

Ralph Oyaga, Executive Director for Government, Regulatory and External Relations, stated the majority of the funds will be under pillar one, which are provider incentives and value-based programs. Staff is projecting \$1.2 million to be utilized for grants focusing on addressing social determinants of health like

homelessness, lack of education, inadequate access to health care, cultural/language barriers, and access to healthy foods. Staff is currently working on the program infrastructure including the internal approval process and application policies and procedures.

A discussion followed between the Committee members and staff regarding the total grant money being between \$1.2 and \$1.5 million dollars and the need to find an area in the community where a large portion of the TNE may be disbursed. Committee member Swenson stated many of the county hospitals are required to do a community needs assessment for the Community Benefits Report and encouraged staff to reach out to these entities to receive the reports as it would provide insight into the community and health. The Committee expressed concern how staff should take a more aggressive approach getting funds into the community and increasing the dollar amount allocated to grants. It was noted as a public entity, the policies and procedures for the grant program must be aligned with laws and regulations and when the program becomes available, the funds will be disbursed and the majority of the funds would be disbursed under the value-based pillar with pay for performance programs. A grant timeline will be presented at the January 23, 2017 Commission Meeting. Committee members Lee and Swenson stated they would send their Community Benefits Reports to staff.

The Committee unanimously agreed to return to Agenda Item No. 3 – November 2016 Fiscal Year to Date Financials.

3. November 2016 Fiscal Year to Date Financials

RECOMMENDATION: Accept the November 2016 Fiscal Year to Date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

Ms. Mowlavi continued reviewing the November 2016 financials including the notification received from the Department of Health Care Services (DHCS) regarding the Managed Care Organization (MCO) tax funding, and the November revenue reflecting the retroactive inclusion of the MCO Tax for the five months of the current fiscal year.

A discussion followed between the Committee members and staff regarding there being only one product line. Committee member Rodriguez requested staff to provide the revenue breakdown by aid categories similar to Cencal's report, which is available to view on their website. It was clarified the long-term liability amount is what the Plan owes DHCS due to the Adult Expansion overpayments. DHCS plans to recoup the money beginning in July with the eighteen months first and the twelve months second.

Anne Freese, PharmD, Director of Pharmacy, stated going forward the financial report will include pharmacy figures, additional pharmacy trends, financial performance of the pharmacy benefit, and clinical information. The Pharmacy

Benefits Manager transition to OptumRX is on track with the implementation date of June 1, 2017.

Committee member Lee moved to approve the recommendation. Committee member Rodriguez seconded. The vote was as follows:

AYES: Committee members Alatorre, Lee, Rodriguez, and Swenson.

NOES: None.

ABSENT: Committee member Pawar.

Committee member Lee declared the motion carried.

The Committee unanimously agreed to combine Agenda Item Nos. 4, 5, 6, 7, 8, and 9 recommendations under one motion.

Bob Bushey, Procurement Officer, stated in October 2016 the Commission approved the change in signature policy, which provides greater transparency and visibility to the Plan's contractual and financial commitments.

There were no public comments for Agenda Item Nos. 4, 5, 6, 7, 8, and 9.

Committee member Lee moved to approve the combined recommendation for Agenda Item Nos. 4, 5, 6, 7, 8, and 9. Committee member Swenson seconded. The vote was as follows:

AYES: Committee members Alatorre, Lee, Rodriguez, and Swenson.

NOES: None.

ABSENT: Committee member Pawar.

Committee member Lee declared the motion carried.

4. Approval of Contract with SAI Global Inc. for Compliance, Governance, and Risk Software Services

RECOMMENDATION: Approve the contract with SAI Global Inc. for compliance, governance, and risk software services for five years with a not to exceed amount of \$172,690 and forward to Ventura County Medi-Cal Managed Care Commission for approval.

5. Approval of Contract with DME Consulting Group Inc. for Home Member Assessment Services

RECOMMENDATION: Approve the contract with DME Consulting Group Inc. for home member assessment services for three years with a not to exceed amount of \$150,000 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

6. Approval of Contract with Milliman Inc. for Business Critical Analytics Software (MedInsight)

RECOMMENDATION: Approve the contract with Milliman Inc. for business critical analytics software (MedInsight) for four years with a not to exceed amount of \$1,252,818 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

7. Approval of Contract with Coffey Communications Inc. for Custom Membership Publication Services

RECOMMENDATION: Approve the contract with Coffey Communications Inc. for custom membership publication services for three years with a not to exceed amount of \$478,500 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

8. Approval of Contract with Coffey Communications Inc. for Member Fulfillment/Direct-Mailing Services

RECOMMENDATION: Approve the contract with Coffey Communications Inc. for member fulfillment/direct-mailing services for three years with a not to exceed amount of \$294,000 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

9. Approval of Contract with mPulse Mobile Inc. for Member Mobile Text Messaging Services

RECOMMENDATION: Approve the contract with mPulse Inc. for member mobile text messaging services for two years with a not to exceed amount of \$250,000 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

REPORTS

10. Managed Care Final Rule

RECOMMENDATION: Accept and file the report.

Brandy Armenta, Compliance Officer/Director, gave a high-level overview on the Managed Care Final Rule or “Mega Rule” and how it affects GCHP. At the beginning of December 2016, DHCS issued health plans draft contract language incorporating much of the final rule but not all as there are still areas to be determined. Staff is working with the local trade associations, internal business owners, and compliance/regulatory to review the draft language. The purpose of the final rule is to align the Medicaid program with Medicare and commercial payers; improve the beneficiaries’ and providers’ experience; and make health plans more accountable and transparent. The draft is a significant contract amendment that will require GCHP to update policies and procedures, submit additional deliverables based on the provisions to DHCS and additional reporting resulting in an estimated cost of \$500,000 in order to comply.

COMMENTS FROM COMMITTEE MEMBERS

Commissioner Rodriguez requested staff to research the possibility of participating in a duals eligible plan at a future date.

ADJOURNMENT

The meeting was adjourned at 4:02 p.m.



AGENDA ITEM NO. 2

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Patricia Mowlavi, Chief Financial Officer

DATE: June 8, 2017

SUBJECT: April 2017 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached April 2017 fiscal year-to-date (FYTD) financial statements (unaudited) of Gold Coast Health Plan (Plan) for review by the Executive / Finance Committee. The Plan requests that the Executive/Finance Committee recommend approval of these financials to the Commission.

BACKGROUND/DISCUSSION:

The staff has prepared the April 2017 FYTD financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

FISCAL IMPACT:

Financial Highlights

Overall Performance – For the ten-month period ended April 30, 2017, the Plan's performance was a gain in net assets of \$6.1 million, which was \$8.7 million higher than budget. Cost of health care was lower than budget, driven by timing of the ARCH program. Administrative savings were realized through lower than projected administrative expenses – most notably those expenses related to projects and those whose variability are determined by membership levels.

Membership – April's membership of 205,106 was 8,716 members below budget. For FYTD membership is 2,077,072 or 38,758 below budget.

Revenue – April FYTD net revenue was \$569.9 million or \$1.9 million below budget due to the aforementioned below budget membership. On a PMPM basis, FYTD revenue was \$4.15 above budget resulting from membership mix, with more than expected Adult Expansion membership.

MCO Tax – MCO tax is a pre-determined liability in accordance with Senate Bill X2-2 passed in October 2016. The Plan's MCO tax liability for FY2017 is \$84.1 million, accrued

at a rate of approximately \$7.0 million per month. \$70.1 million of MCO tax has been expensed FYTD. The third of four MCO tax payments of \$21.0 million occurred in early April 2017.

Health Care Costs – Health care costs through April 30, 2017 were \$525.6 million or \$4.3 million below budget. The FYTD MLR was 92.2%, 0.5% lower than budget.

Adult Expansion Population 85% Medical Loss Ratio – The Balance Sheet contains a \$131.3 million reserve for potential Medi-Cal capitation revenue to be paid back to DHCS under the terms of the MLR contract language.

| | Expansion Population | | | Classic Population |
|---------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------|
| | 1/1/14-6/30/15 MLR Period 1 | 7/1/15-6/30/16 MLR Period 2 | 7/1/16-4/30/17 MLR Period 3 | 7/1/16-4/30/17 |
| Total Revenue (net of MCO tax) | 361,237,234 | 293,172,661 | 224,302,453 | 341,873,003 |
| Total Estimated Medical Expense | 206,719,452 | 238,300,734 | 195,802,465 | 329,786,742 |
| | 57.2% | 81.3% | 87.3% | 96.5% |
| Total MLR Reserve | 118,168,494 | 13,101,452 | - | |

Administrative Expenses – April FYTD administrative costs were \$40.8 million or \$4.6 million below budget. As a percentage of revenue, administrative costs (or ACR) were 7.2% versus 7.9% for budget.

Cash and Medi-Cal Receivable – At April 30, the Plan had \$531.5 million in cash and short-term investments and \$59.9 million in Medi-Cal Receivable for an aggregate amount of \$591.4 million. The AE overpayment due to DHCS (related to incorrect rate payments and to achieve 85% MLR) totals \$280.2 million. The Plan anticipates AE repayment to commence sometime in July 2017.

Investment Portfolio – At April 30, 2017, the value of the investments (all short term) was \$279.1 million. The portfolio included Cal Trust \$50.9 million; Ventura County Investment Pool \$85.7 million; LAIF CA State \$63.5 million; Bonds and Commercial Paper \$79.0 million.

RECOMMENDATION:

Accept the April 2017 Fiscal Year to Date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

CONCURRENCE:

N/A

ATTACHMENT:

April 2017 Financial Package



FINANCIAL PACKAGE

For the month ended April 30, 2017

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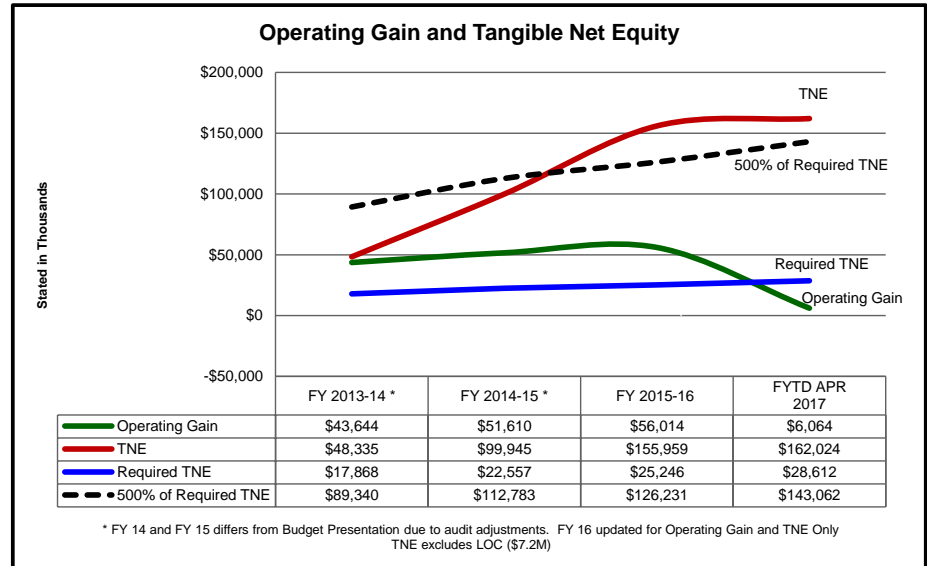
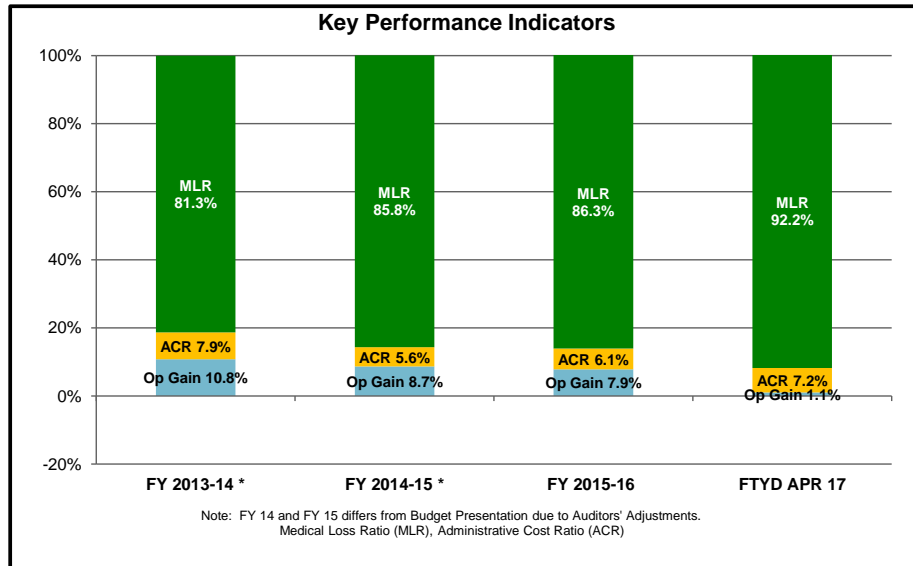
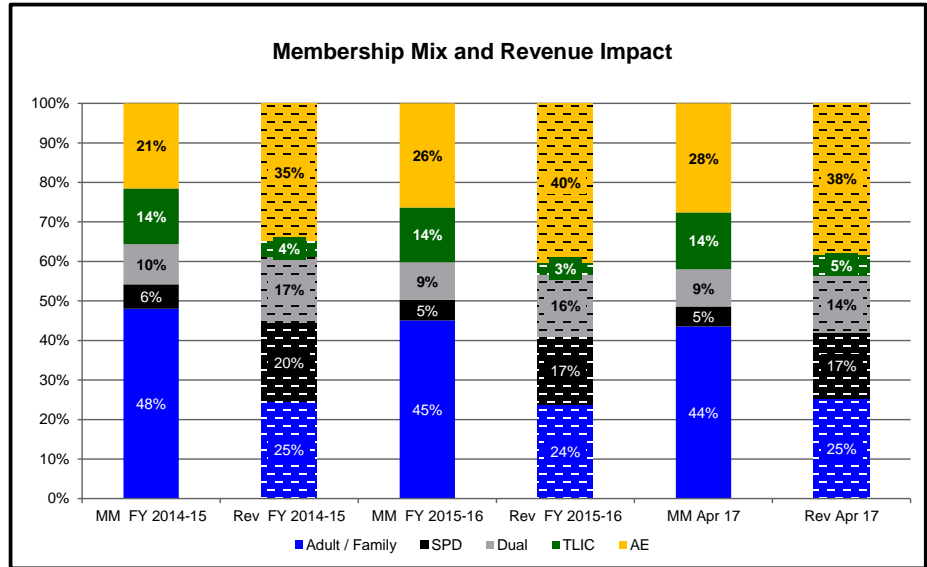
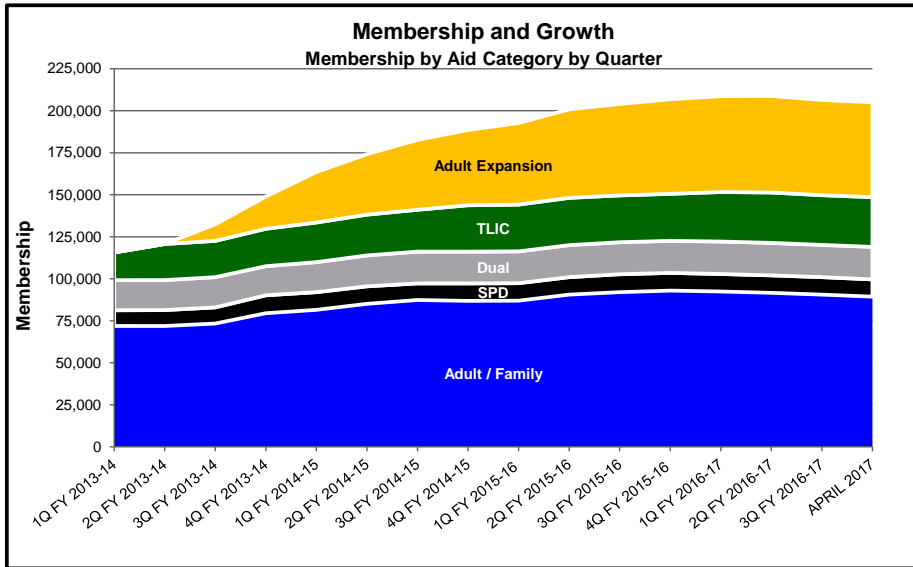
- Financial Overview
- Financial Performance Dashboard
- Cash and Operating Expense Requirements

APPENDIX

- Statement of Financial Positions
- YTD Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Membership
- Paid Claims and IBNP Composition

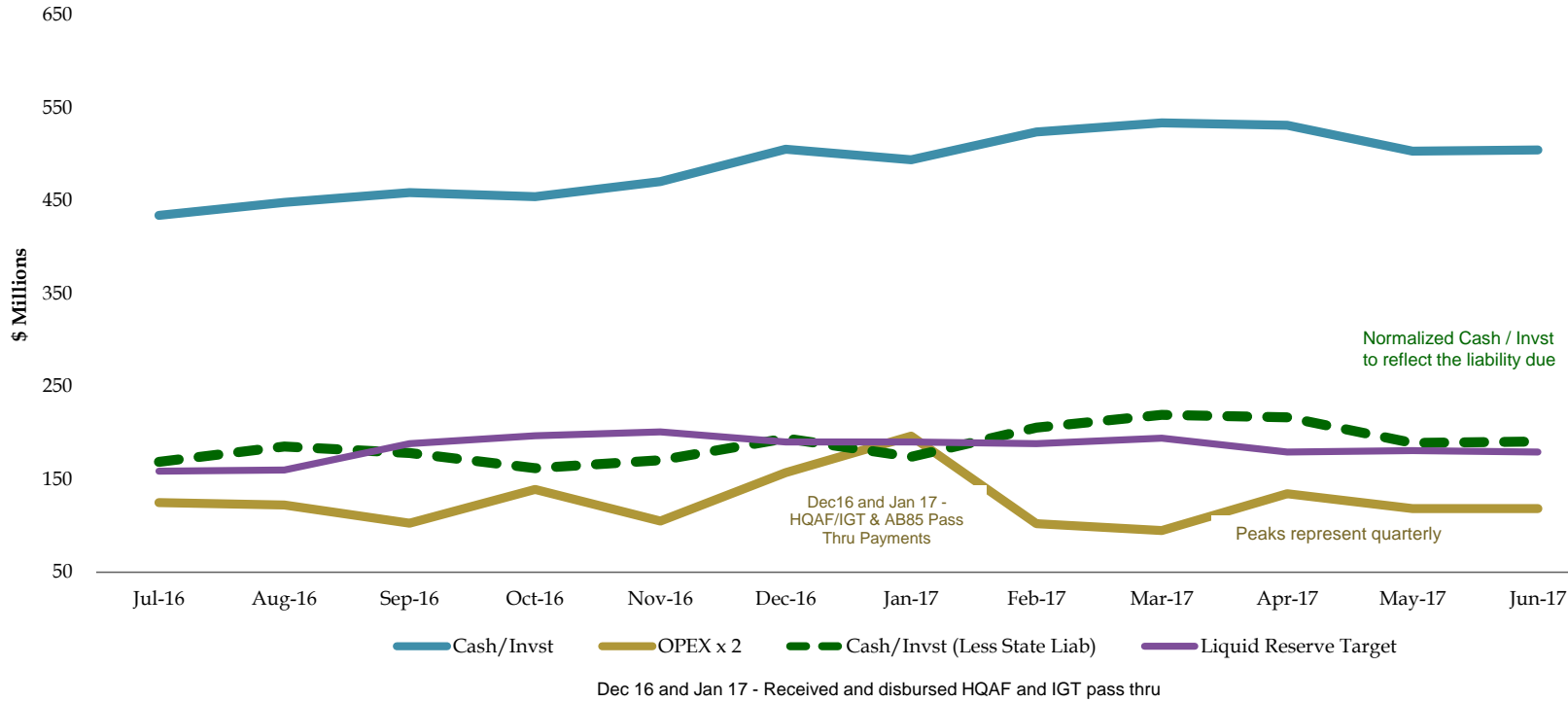
| Description | AUDITED | AUDITED | FY 2016-17 | | | | | Budget Comparison | |
|---|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| | FY 2014-15 | FY 2015-16 | JUL - SEP 16 | OCT - DEC 16 | JAN - MAR 17 | APR 17 | FYTD APR 17 | Budget FYTD | Variance Fav / (Unfav) |
| Member Months | 2,130,979 | 2,413,136 | 626,084 | 626,419 | 619,463 | 205,106 | 2,077,072 | 2,115,830 | (38,758) |
| Revenue | 595,607,370 | 675,629,602 | 148,815,746 | 190,063,083 | 175,648,323 | 55,364,984 | 569,892,136 | 571,752,587 | (1,860,451) |
| <i>pppm</i> | 279.50 | 279.98 | 237.69 | 303.41 | 283.55 | 269.93 | 274.37 | 270.23 | 4.15 |
| Health Care Costs | 509,183,268 | 583,149,780 | 155,478,257 | 156,886,345 | 161,064,037 | 52,160,568 | 525,589,207 | 529,898,404 | 4,309,197 |
| <i>pppm</i> | 238.94 | 241.66 | 248.33 | 250.45 | 260.01 | 254.31 | 253.04 | 250.44 | (2.60) |
| % of Revenue | 85.5% | 86.3% | 104.5% | 82.5% | 91.7% | 94.2% | 92.2% | 92.7% | 0.45% |
| Admin Exp | 34,814,049 | 38,256,908 | 12,063,462 | 12,399,366 | 12,325,129 | 4,029,965 | 40,817,922 | 45,443,526 | 4,625,604 |
| <i>pppm</i> | 16.34 | 15.85 | 19.27 | 19.79 | 19.90 | 19.65 | 19.65 | 21.48 | 1.83 |
| % of Revenue | 5.8% | 5.7% | 8.1% | 6.5% | 7.0% | 7.3% | 7.2% | 7.9% | 0.79% |
| Non-Operating Revenue / (Expense) | | 1,790,949 | 596,568 | 647,800 | 1,004,824 | 330,298 | 2,579,490 | 941,742 | 1,637,747 |
| <i>pppm</i> | | 0.74 | 0.95 | 1.03 | 1.62 | 1.61 | 1.24 | 0.45 | 0.80 |
| % of Revenue | | 0.3% | 0.4% | 0.3% | 0.6% | 0.6% | 0.5% | 0.2% | 0.29% |
| Total Increase / (Decrease) in Unrestricted Net Assets | 51,610,053 | 56,013,863 | (18,129,405) | 21,425,172 | 3,263,981 | (495,251) | 6,064,497 | (2,647,601) | 8,712,098 |
| <i>pppm</i> | 24.22 | 23.21 | (28.96) | 34.20 | 5.27 | (2.41) | 2.92 | (1.25) | 4.17 |
| % of Revenue | 8.7% | 8.3% | -12.2% | 11.3% | 1.9% | -0.9% | 1.1% | -0.5% | 1.53% |
| YTD | | | | | | | | | |
| 100% TNE | 22,556,530 | 25,246,284 | 26,097,131 | 27,075,526 | 27,709,401 | 28,612,411 | 28,612,411 | 29,271,853 | (659,442) |
| % TNE Required | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | |
| Minimum Required TNE | 22,556,530 | 25,246,284 | 26,097,131 | 27,075,526 | 27,709,401 | 28,612,411 | 28,612,411 | 29,271,853 | (659,442) |
| GCHP TNE | 107,145,264 | 155,959,127 | 137,829,722 | 159,254,894 | 162,518,875 | 162,023,623 | 162,023,623 | 150,409,555 | 11,614,069 |
| TNE Excess / (Deficiency) | 84,588,734 | 130,712,843 | 111,732,591 | 132,179,367 | 134,809,474 | 133,411,212 | 133,411,212 | 121,137,702 | 12,273,510 |
| % of Required TNE level | 475% | 618% | 528% | 588% | 587% | 566% | 566% | 514% | |

FINANCIAL PERFORMANCE DASHBOARD FOR MONTH ENDING APRIL 30, 2017



GOLD COAST HEALTH PLAN FY 2016 - 17

Cash & Operating Expense Requirements





For the month ended April 30, 2017

APPENDIX

- Statement of Financial Position
- YTD Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows
- Membership
- Paid Claims and IBNP Composition

STATEMENT OF FINANCIAL POSITION

| | 04/30/17 | 03/31/17 | 02/28/17 |
|--|-----------------------|-----------------------|-----------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Total Cash and Cash Equivalents | \$ 252,321,190 | \$ 275,089,340 | \$ 235,471,944 |
| Total Short-Term Investments | 279,137,218 | 258,959,818 | 288,884,145 |
| Medi-Cal Receivable | 59,897,643 | 66,185,676 | 66,972,133 |
| Interest Receivable | 532,839 | 624,606 | 483,116 |
| Provider Receivable | 655,718 | 481,141 | 373,828 |
| Total Accounts Receivable | 61,086,200 | 67,291,423 | 67,829,077 |
| Total Prepaid Accounts | 1,423,907 | 1,681,886 | 1,749,644 |
| Total Other Current Assets | 133,545 | 133,545 | 133,545 |
| Total Current Assets | 594,102,059 | 603,156,013 | 594,068,356 |
| Total Fixed Assets | 2,417,225 | 2,462,002 | 2,509,454 |
| Total Long-Term Investments | 0 | 0 | 0 |
| Total Assets | \$ 596,519,284 | \$ 605,618,015 | \$ 596,577,810 |
| LIABILITIES & NET ASSETS | | | |
| Current Liabilities: | | | |
| Incurred But Not Reported | \$ 59,143,280 | \$ 55,118,983 | \$ 51,907,342 |
| Claims Payable | 16,146,292 | 13,955,262 | 13,432,317 |
| Capitation Payable | 57,092,423 | 57,064,473 | 56,990,011 |
| Physician ACA 1202 Payable | 591,696 | 591,696 | 591,696 |
| AB 85 Payable | 1,461,995 | 1,464,483 | 1,468,678 |
| DHCS - Reserve for Capitation Recoup | 131,269,946 | 0 | 0 |
| Accounts Payable | 2,882,782 | 2,434,125 | 2,174,458 |
| Accrued ACS | 1,669,857 | 1,668,962 | 1,652,846 |
| Accrued Expenses | 155,346,947 | 156,614,148 | 155,195,354 |
| Accrued Premium Tax | 6,507,001 | 20,519,903 | 13,513,936 |
| Accrued Payroll Expense | 1,361,309 | 1,374,754 | 1,181,933 |
| Total Current Liabilities | 433,473,527 | 310,806,788 | 298,108,571 |
| Long-Term Liabilities: | | | |
| DHCS - Reserve for Capitation Recoup | 0 | 131,269,946 | 135,269,946 |
| Other Long-term Liability-Deferred Rent | 1,022,133 | 1,022,406 | 998,881 |
| Total Long-Term Liabilities | 1,022,133 | 132,292,352 | 136,268,827 |
| Total Liabilities | 434,495,661 | 443,099,140 | 434,377,398 |
| Net Assets: | | | |
| Beginning Net Assets | 155,959,127 | 155,959,127 | 155,959,127 |
| Total Increase / (Decrease in Unrestricted Net Assets) | 6,064,497 | 6,559,748 | 6,241,285 |
| Total Net Assets | 162,023,623 | 162,518,875 | 162,200,412 |
| Total Liabilities & Net Assets | \$ 596,519,284 | \$ 605,618,015 | \$ 596,577,810 |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR TEN MONTHS ENDED APRIL 30, 2017**

| | APRIL 2017 Year-To-Date | | Variance |
|---|--------------------------------|-----------------------|----------------------|
| | <u>Actual</u> | <u>Budget</u> | Fav / (Unfav) |
| Membership (includes retro members) | 2,077,072 | 2,115,830 | (38,758) |
| Revenue | | | |
| Premium | \$ 636,318,857 | \$ 642,628,478 | \$ (6,309,621) |
| Reserve for Rate Reduction | 3,350,000 | (2,069,633) | 5,419,633 |
| MCO Premium Tax | (70,143,401) | (68,806,258) | (1,337,143) |
| Total Net Premium | 569,525,456 | 571,752,587 | (2,227,131) |
| Other Revenue: | | | |
| Miscellaneous Income | 366,680 | 0 | 366,680 |
| Total Other Revenue | 366,680 | 0 | 366,680 |
| Total Revenue | 569,892,136 | 571,752,587 | (1,860,451) |
| Medical Expenses: | | | |
| <u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u> | 54,749,224 | 50,353,473 | (4,395,750) |
| <u>FFS Claims Expenses:</u> | | | |
| Inpatient | 109,404,736 | 105,953,961 | (3,450,775) |
| LTC / SNF | 96,620,371 | 96,077,304 | (543,067) |
| Outpatient | 44,506,739 | 41,101,712 | (3,405,027) |
| Laboratory and Radiology | 2,843,223 | 2,430,546 | (412,676) |
| Emergency Room | 18,233,316 | 18,041,770 | (191,546) |
| Physician Specialty | 45,012,952 | 47,884,549 | 2,871,597 |
| Primary Care Physician | 12,768,587 | 15,636,972 | 2,868,385 |
| Home & Community Based Services | 15,269,798 | 13,165,052 | (2,104,746) |
| Applied Behavior Analysis Services | 4,036,863 | 1,198,636 | (2,838,227) |
| Mental Health Services | 6,258,493 | 3,460,520 | (2,797,973) |
| Pharmacy | 95,865,482 | 98,013,249 | 2,147,767 |
| Provider Reserve | 266,667 | 10,126,426 | 9,859,759 |
| Other Medical Professional | 2,465,607 | 2,083,495 | (382,112) |
| Other Medical Care | 201,880 | 0 | (201,880) |
| Other Fee For Service | 6,824,140 | 6,336,688 | (487,452) |
| Transportation | 1,323,616 | 1,295,626 | (27,990) |
| Total Claims | 461,902,471 | 462,806,507 | 904,036 |
| Medical & Care Management Expense | 9,981,056 | 11,702,748 | 1,721,692 |
| Reinsurance | 1,035,227 | 5,035,675 | 4,000,448 |
| Claims Recoveries | (2,078,771) | 0 | 2,078,771 |
| Sub-total | 8,937,513 | 16,738,424 | 7,800,911 |
| Total Cost of Health Care | 525,589,207 | 529,898,404 | 4,309,197 |
| Contribution Margin | 44,302,929 | 41,854,183 | 2,448,746 |
| General & Administrative Expenses: | | | |
| Salaries, Wages & Employee Benefits | 18,658,393 | 20,019,057 | 1,360,665 |
| Training, Conference & Travel | 343,894 | 481,029 | 137,134 |
| Outside Services | 23,034,887 | 24,365,757 | 1,330,870 |
| Professional Services | 3,309,711 | 5,253,042 | 1,943,331 |
| Occupancy, Supplies, Insurance & Others | 5,452,094 | 7,027,390 | 1,575,296 |
| Care Management Credit | (9,981,056) | (11,702,748) | (1,721,692) |
| Total G & A Expenses | 40,817,922 | 45,443,526 | 4,625,604 |
| Total Operating Gain / (Loss) | \$ 3,485,007 | \$ (3,589,343) | \$ 7,074,350 |
| Non Operating | | | |
| Revenues - Interest | 2,579,490 | 941,742 | 1,637,747 |
| Total Non-Operating | 2,579,490 | 941,742 | 1,637,747 |
| Total Increase / (Decrease) in Unrestricted Net Assets | \$ 6,064,497 | \$ (2,647,601) | \$ 8,712,098 |
| Net Assets, Beginning of Year | 155,959,127 | | |
| Net Assets, End of Current Period | 162,023,623 | | |

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

| | FY 2016-17 Monthly Trend | | | Current Month | | Variance Fav / (Unfav) |
|---|--------------------------|-------------------|-------------------|-------------------|-------------------|---------------------------|
| | Jan 17 | Feb 17 | Mar 17 | APRIL 2017 | | |
| | | | | Actual | Budget | |
| Membership (includes retro members) | 206,664 | 206,970 | 205,829 | 205,106 | 213,822 | (8,716) |
| Revenue: | | | | | | |
| Premium | \$ 63,165,021 | \$ 63,438,477 | \$ 62,813,120 | \$ 62,371,164 | \$ 64,881,381 | \$ (2,510,217) |
| Reserve for Rate Reduction | 1,650,000 | 1,500,000 | 4,000,000 | 0 | (205,273) | 205,273 |
| MCO Premium Tax | (7,005,835) | (7,006,118) | (7,006,094) | (7,006,180) | (6,950,347) | (55,833) |
| Total Net Premium | 57,809,187 | 57,932,359 | 59,807,026 | 55,364,984 | 57,725,760 | (2,360,776) |
| Other Revenue: | | | | | | |
| Miscellaneous Income | 99,751 | 0 | 0 | 0 | 0 | 0 |
| Total Other Revenue | 99,751 | 0 | 0 | 0 | 0 | 0 |
| Total Revenue | 57,908,938 | 57,932,359 | 59,807,026 | 55,364,984 | 57,725,760 | (2,360,776) |
| Medical Expenses: | | | | | | |
| <u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u> | 5,071,929 | 5,029,586 | 5,227,526 | 4,925,418 | 5,084,206 | 158,788 |
| <u>FFS Claims Expenses:</u> | | | | | | |
| Inpatient | 10,137,221 | 9,355,847 | 12,784,974 | 11,425,679 | 10,710,450 | (715,229) |
| LTC / SNF | 5,498,137 | 11,439,236 | 9,891,367 | 8,511,453 | 9,650,061 | 1,138,608 |
| Outpatient | 6,695,529 | 4,477,337 | 4,028,914 | 4,851,932 | 4,154,883 | (697,049) |
| Laboratory and Radiology | 310,758 | 226,793 | 312,311 | 355,908 | 245,890 | (110,018) |
| Emergency Room | 2,082,908 | 2,113,200 | 2,177,348 | 1,909,550 | 1,822,778 | (86,771) |
| Physician Specialty | 5,003,052 | 3,959,094 | 4,747,630 | 4,820,252 | 4,846,048 | 25,797 |
| Primary Care Physician | 1,481,695 | 1,176,119 | 1,175,549 | 1,690,721 | 1,581,804 | (108,917) |
| Home & Community Based Services | 2,343,302 | 1,805,214 | 1,459,004 | 1,471,628 | 1,338,115 | (133,513) |
| Applied Behavior Analysis Services | 555,128 | 460,227 | 621,128 | 467,688 | 120,480 | (347,208) |
| Mental Health Services | 2,036,393 | 892,933 | 542,188 | 412,599 | 349,067 | (63,532) |
| Pharmacy | 9,506,656 | 9,204,612 | 10,301,143 | 9,184,491 | 9,889,800 | 705,309 |
| Provider Reserve | 100,000 | 0 | 166,667 | 0 | 1,021,064 | 1,021,064 |
| Other Medical Professional | 220,980 | 241,561 | 293,662 | 295,072 | 210,704 | (84,368) |
| Other Medical Care | 0 | 234 | 0 | 0 | 0 | 0 |
| Other Fee For Service | 752,515 | 630,149 | 601,990 | 785,269 | 639,356 | (145,912) |
| Transportation | 142,606 | 115,093 | 91,625 | 240,721 | 130,546 | (110,175) |
| Total Claims | 46,866,880 | 46,097,649 | 49,195,501 | 46,422,962 | 46,711,046 | 288,084 |
| Medical & Care Management Expense | 1,036,138 | 1,085,264 | 1,066,266 | 907,107 | 1,194,543 | 287,436 |
| Reinsurance | 172,390 | 231,721 | 256,032 | 254,509 | 508,896 | 254,388 |
| Claims Recoveries | (7,459) | (1,439) | (263,948) | (349,428) | 0 | 349,428 |
| Sub-total | 1,201,069 | 1,315,547 | 1,058,350 | 812,188 | 1,703,439 | 891,251 |
| Total Cost of Health Care | 53,139,878 | 52,442,783 | 55,481,377 | 52,160,568 | 53,498,692 | 1,338,123 |
| Contribution Margin | 4,769,060 | 5,489,576 | 4,325,650 | 3,204,416 | 4,227,069 | (1,022,652) |
| General & Administrative Expenses: | | | | | | |
| Salaries, Wages & Employee Benefits | 1,995,362 | 1,749,737 | 1,982,336 | 1,667,223 | 2,079,959 | 412,736 |
| Training, Conference & Travel | 19,453 | 44,206 | 28,317 | 20,403 | 34,394 | 13,991 |
| Outside Services | 2,299,058 | 2,246,393 | 2,353,686 | 2,324,945 | 2,461,457 | 136,511 |
| Professional Services | 216,954 | 187,769 | 438,247 | 431,279 | 436,990 | 5,711 |
| Occupancy, Supplies, Insurance & Others | 594,220 | 743,167 | 613,892 | 493,222 | 680,972 | 187,751 |
| Care Management Credit | (1,036,138) | (1,085,264) | (1,066,266) | (907,107) | (1,194,543) | (287,436) |
| Total G & A Expenses | 4,088,911 | 3,886,007 | 4,350,212 | 4,029,965 | 4,499,230 | 469,265 |
| Total Operating Gain / (Loss) | 680,149 | 1,603,570 | (24,562) | (825,549) | (272,161) | (553,388) |
| Non Operating: | | | | | | |
| Revenues - Interest | 334,894 | 326,906 | 343,025 | 330,298 | 62,157 | 268,140 |
| Total Non-Operating | 334,894 | 326,906 | 343,025 | 330,298 | 62,157 | 268,140 |
| Total Increase / (Decrease) in Unrestricted Net Assets | 1,015,043 | 1,930,476 | 318,463 | (495,251) | (210,004) | (285,247) |
| Full Time Employees | | | | 185 | 200 | 15 |

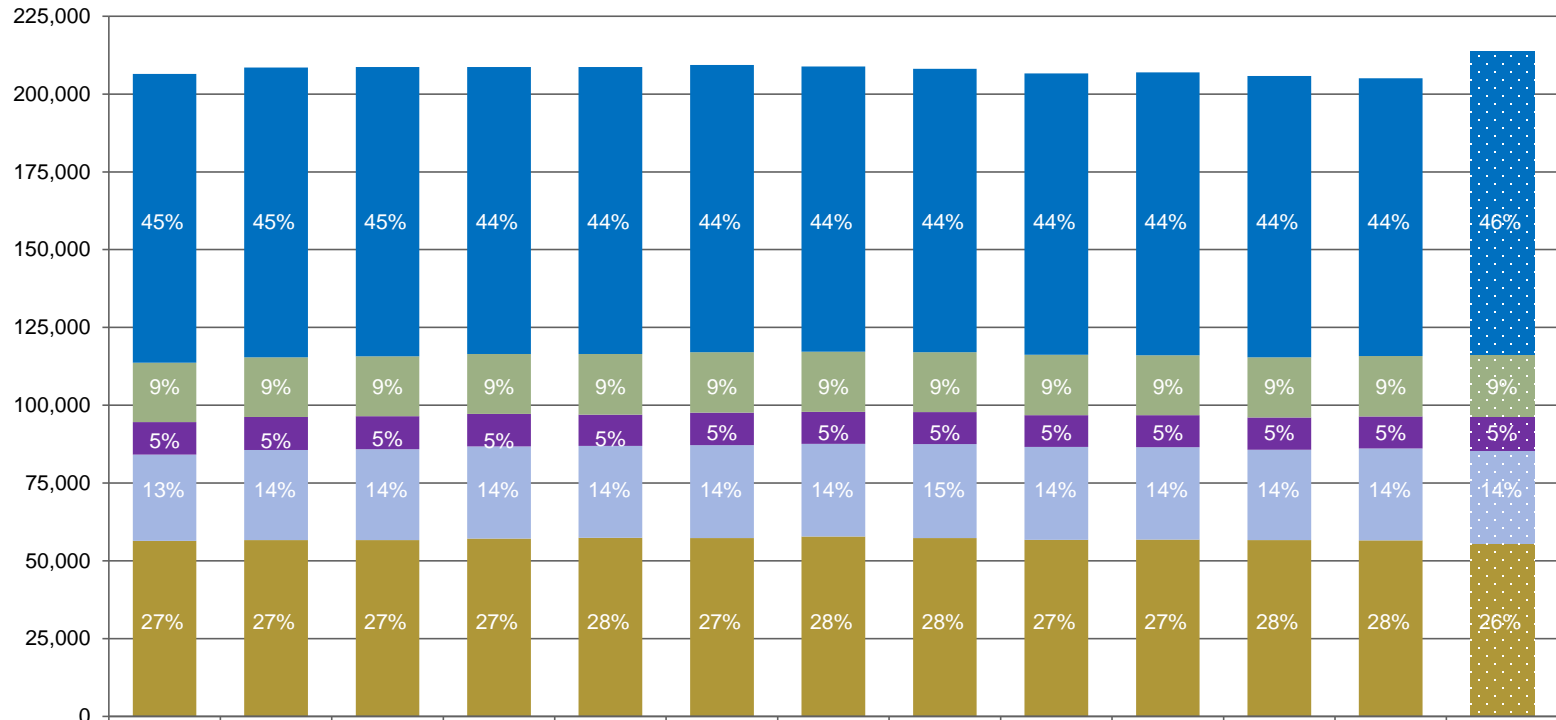
PMPM - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

| | FY 2016-17 Monthly Trend | | | APRIL 2017 | | Variance Fav / (Unfav) |
|---|--------------------------|---------------|---------------|---------------|---------------|---------------------------|
| | Jan 17 | Feb 17 | Mar 17 | Actual | Budget | |
| Membership (includes retro members) | 206,664 | 206,970 | 205,829 | 205,106 | 213,822 | (8,716) |
| Revenue: | | | | | | |
| Premium | 305.64 | 306.51 | 305.17 | 304.09 | 303.44 | 0.66 |
| Reserve for Rate Reduction | 7.98 | 7.25 | 19.43 | 0.00 | (0.96) | 0.96 |
| MCO Premium Tax | (33.90) | (33.85) | (34.04) | (34.16) | (32.51) | (1.65) |
| Total Net Premium | 279.73 | 279.91 | 290.57 | 269.93 | 269.97 | (0.04) |
| Other Revenue: | | | | | | |
| Miscellaneous Income | 0.48 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Other Revenue | 0.48 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenue | 280.21 | 279.91 | 290.57 | 269.93 | 269.97 | (0.04) |
| Medical Expenses: | | | | | | |
| <u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u> | 24.54 | 24.30 | 25.40 | 24.01 | 23.78 | (0.24) |
| <u>FFS Claims Expenses:</u> | | | | | | |
| Inpatient | 49.05 | 45.20 | 62.11 | 55.71 | 50.09 | (5.62) |
| LTC / SNF | 26.60 | 55.27 | 48.06 | 41.50 | 45.13 | 3.63 |
| Outpatient | 32.40 | 21.63 | 19.57 | 23.66 | 19.43 | (4.22) |
| Laboratory and Radiology | 1.50 | 1.10 | 1.52 | 1.74 | 1.15 | (0.59) |
| Emergency Room | 10.08 | 10.21 | 10.58 | 9.31 | 8.52 | (0.79) |
| Physician Specialty | 24.21 | 19.13 | 23.07 | 23.50 | 22.66 | (0.84) |
| Primary Care Physician | 7.17 | 5.68 | 5.71 | 8.24 | 7.40 | (0.85) |
| Home & Community Based Services | 11.34 | 8.72 | 7.09 | 7.17 | 6.26 | (0.92) |
| Applied Behavior Analysis Services | 2.69 | 2.22 | 3.02 | 2.28 | 0.56 | (1.72) |
| Mental Health Services | 9.85 | 4.31 | 2.63 | 2.01 | 1.63 | (0.38) |
| Pharmacy | 46.00 | 44.47 | 50.05 | 44.78 | 46.25 | 1.47 |
| Provider Reserve | 0.48 | 0.00 | 0.81 | 0.00 | 4.78 | 4.78 |
| Other Medical Professional | 1.07 | 1.17 | 1.43 | 1.44 | 0.99 | (0.45) |
| Other Medical Care | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Fee For Service | 3.64 | 3.04 | 2.92 | 3.83 | 2.99 | (0.84) |
| Transportation | 0.69 | 0.56 | 0.45 | 1.17 | 0.61 | (0.56) |
| Total Claims | 226.78 | 222.73 | 239.01 | 226.34 | 218.46 | (7.88) |
| Medical & Care Management Expense | 5.01 | 5.24 | 5.18 | 4.42 | 5.59 | 1.16 |
| Reinsurance | 0.83 | 1.12 | 1.24 | 1.24 | 2.38 | 1.14 |
| Claims Recoveries | (0.04) | (0.01) | (1.28) | (1.70) | 0.00 | 1.70 |
| Sub-total | 5.81 | 6.36 | 5.14 | 3.96 | 7.97 | 4.01 |
| Total Cost of Health Care | 257.13 | 253.38 | 269.55 | 254.31 | 250.20 | (4.11) |
| Contribution Margin | 23.08 | 26.52 | 21.02 | 15.62 | 19.77 | (4.15) |
| General & Administrative Expenses: | | | | | | |
| Salaries, Wages & Employee Benefits | 9.66 | 8.45 | 9.63 | 8.13 | 9.73 | 1.60 |
| Training, Conference & Travel | 0.09 | 0.21 | 0.14 | 0.10 | 0.16 | 0.06 |
| Outside Services | 11.12 | 10.85 | 11.44 | 11.34 | 11.51 | 0.18 |
| Professional Services | 1.05 | 0.91 | 2.13 | 2.10 | 2.04 | (0.06) |
| Occupancy, Supplies, Insurance & Others | 2.88 | 3.59 | 2.98 | 2.40 | 3.18 | 0.78 |
| Care Management Credit | (5.01) | (5.24) | (5.18) | (4.42) | (5.59) | (1.16) |
| Total G & A Expenses | 19.79 | 18.78 | 21.14 | 19.65 | 21.04 | 1.39 |
| Total Operating Gain / (Loss) | 3.29 | 7.75 | (0.12) | (4.02) | (1.27) | (2.75) |
| Non Operating: | | | | | | |
| Revenues - Interest | 1.62 | 1.58 | 1.67 | 1.61 | 0.29 | 1.32 |
| Total Non-Operating | 1.62 | 1.58 | 1.67 | 1.61 | 0.29 | 1.32 |
| Total Increase / (Decrease) in Unrestricted Net Assets | 4.91 | 9.33 | 1.55 | (2.41) | (0.98) | (1.43) |

| STATEMENT OF CASH FLOWS | FEB 17 | MAR 17 | APR 17 | FYTD |
|--|---------------------------|---------------------------|---------------------------|---------------------------|
| Cash Flows Provided By Operating Activities | | | | |
| Net Income (Loss) | 1,930,476 | 318,463 | (495,251) | 6,064,497 |
| Adjustments to reconciled net income to net cash provided by operating activities | | | | - |
| Depreciation on fixed assets | 47,677 | 47,452 | 44,777 | 515,413 |
| Amortization of discounts and premium | (35,451) | (38,568) | (29,586) | (60,539) |
| Changes in Operating Assets and Liabilities | | | | - |
| Accounts Receivable | 24,043,067 | 537,654 | 6,205,223 | 68,920,073 |
| Prepaid Expenses | (178,950) | 67,758 | 257,979 | 181,219 |
| Accounts Payable | (3,460,945) | (2,093,274) | (833,853) | 77,066,433 |
| Claims Payable | (648,733) | 597,407 | 2,218,979 | 7,975,547 |
| MCO Tax liability | 4,746,779 | 7,005,967 | (14,012,903) | 931,005 |
| IBNR | 3,530,722 | 3,211,641 | 4,024,297 | 2,831,888 |
| Net Cash Provided by Operating Activities | <u>29,974,642</u> | <u>9,654,501</u> | <u>(2,620,336)</u> | <u>164,425,535</u> |
| Cash Flow Provided By Investing Activities | | | | |
| Proceeds from Restricted Cash & Other Assets | | | | - |
| Proceeds from Investments | - | 30,000,000 | 20,000,000 | 95,000,000 |
| Proceeds for Sales of Property, Plant and Equipment | | | | - |
| Payments for Restricted Cash and Other Assets | | | | - |
| Purchase of Investments | (117,156) | (37,105) | (40,147,814) | (150,808,914) |
| Purchase of Property and Equipment | 21,879 | - | - | (387,897) |
| Net Cash (Used In) Provided by Investing Activities | <u>(95,277)</u> | <u>29,962,895</u> | <u>(20,147,814)</u> | <u>(56,196,812)</u> |
| Cash Flow Provided By Financing Activities | | | | |
| None | | | | - |
| Net Cash Used In Financing Activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Increase/(Decrease) in Cash and Cash Equivalents | 29,879,365 | 39,617,397 | (22,768,151) | 108,228,723 |
| Cash and Cash Equivalents, Beginning of Period | <u>205,592,579</u> | <u>235,471,944</u> | <u>275,089,340</u> | <u>144,092,466</u> |
| Cash and Cash Equivalents, End of Period | <u><u>235,471,944</u></u> | <u><u>275,089,340</u></u> | <u><u>252,321,190</u></u> | <u><u>252,321,190</u></u> |

GOLD COAST HEALTH PLAN

Membership - Rolling 12 Month

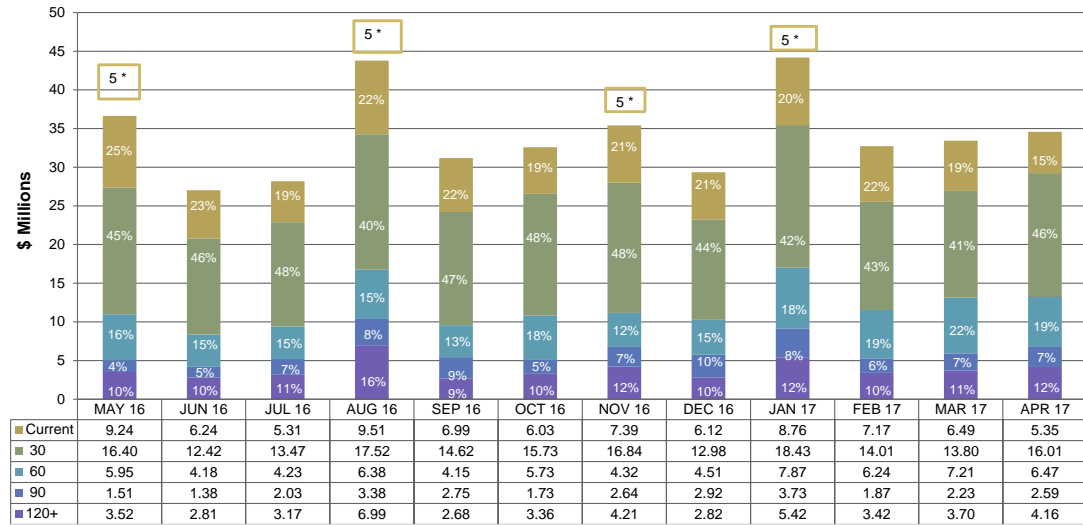


| | MAY 16 | JUN 16 | JUL 16 | AUG 16 | SEP 16 | OCT 16 | NOV 16 | DEC 16 | JAN 17 | FEB 17 | MAR 17 | APR 17 | Budget - Apr 17 |
|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------------|
| Total | 206,495 | 208,533 | 208,714 | 208,680 | 208,690 | 209,381 | 208,890 | 208,148 | 206,664 | 206,970 | 205,829 | 205,106 | 213,822 |
| FAMILY | 92,798 | 93,158 | 93,007 | 92,221 | 92,213 | 92,364 | 91,653 | 91,071 | 90,477 | 90,911 | 90,456 | 89,311 | 97,598 |
| DUALS | 19,075 | 19,147 | 19,224 | 19,259 | 19,481 | 19,381 | 19,376 | 19,250 | 19,352 | 19,213 | 19,329 | 19,401 | 19,944 |
| SPD | 10,521 | 10,577 | 10,645 | 10,406 | 10,095 | 10,438 | 10,277 | 10,282 | 10,246 | 10,321 | 10,326 | 10,319 | 10,718 |
| TLIC | 27,676 | 28,952 | 29,209 | 29,672 | 29,511 | 29,858 | 29,788 | 30,238 | 29,858 | 29,682 | 29,038 | 29,495 | 30,043 |
| AE | 56,425 | 56,699 | 56,629 | 57,122 | 57,390 | 57,340 | 57,796 | 57,307 | 56,731 | 56,843 | 56,680 | 56,580 | 55,519 |

SPD = Seniors and Persons with Disabilities TLIC = Targeted Low Income Children AE = Adult Expansion

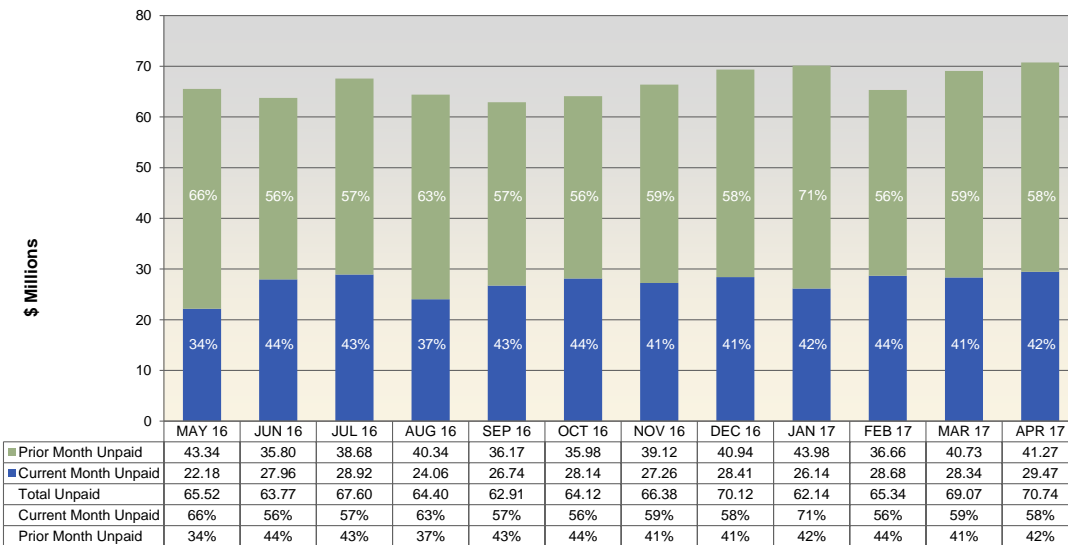
**GOLD COAST HEALTH PLAN
APRIL 2017**

Paid Claims Composition (excluding Pharmacy and Capitation Payments)



Note: Paid Claims Composition - reflects adjusted medical claims payment lag schedule. Months Indicated with 5* represent months for which there were 5 claim payments. For all other months, 4 claim payments were made.

IBNP Composition (excluding Pharmacy and Capitation)



Note: IBNP Composition - reflects updated medical cost reserve calculation plus total system claims payable.



AGENDA ITEM NO. 3

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Patricia Mowlavi, Chief Financial Officer
DATE: June 8, 2017
SUBJECT: Gold Coast Health Plan Budget Fiscal Year 2017-2018

MATERIALS TO BE PROVIDED AT MEETING



AGENDA ITEM NO. 4

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Anne Freese, PharmD, Director of Pharmacy
DATE: June 8, 2017
SUBJECT: Update on Implementation of OptumRx

VERBAL REPORT