

**Ventura County Medi-Cal Managed  
Care Commission (VCMMCC) dba  
Gold Coast Health Plan  
Executive / Finance Committee Meeting**

**DATE:** Tuesday, January 17, 2012

**TIME:** 3:00-5:30 pm

**PLACE:** 2240 E. Gonzales Road, Suite 230, Oxnard CA 93036

**AGENDA**

**Call to Order, Welcome and Roll Call**

**Public Comment / Correspondence**

**1. Approve Minutes**

- a. November 28, 2011 Special Meeting Minutes
- b. December 14, 2011 Meeting Minutes

*Action Required  
Action Required*

**2. Accept and File CEO Update (verbal)**

*For Information*

**3. Accept and File Financial Report**

- a. November and December Financials
- b. External Audit RFP Update

*For Information  
For Information*

**Comments from Members**

**Adjourn to Closed Session (if needed)**

CLOSED SESSION: GC § 54957 - CEO Performance Evaluation

**Return to Open Meeting / Adjournment**

**Adjourn**

Meeting Agenda available at <http://www.goldcoasthealthplan.org>

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ADMINISTRATIVE REPORTS RELATING TO THIS AGENDA AND MATERIALS RELATED TO AN AGENDA ITEM SUBMITTED TO THE COMMISSION AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC REVIEW DURING NORMAL BUSINESS HOURS AT THE OFFICE OF THE CLERK OF THE BOARD, 2220 E. GONZALES ROAD, SUITE 200, OXNARD, CA.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT 805/981-5320. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC) dba Gold Coast Health Plan (GCHP)  
Executive / Finance Committee  
Special Closed Session Meeting Minutes  
November 28, 2011**

*(Not official until approved)*

The purpose of the meeting was to hold the Closed Session Item on the Agenda.

Notice of said meeting was duly given in the time and manner prescribed by law. Affidavit of compliance is on file in the Clerk of the Board's Office.

**CALL TO ORDER**

Chair Greenia called the Special Meeting to order at 4:37 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

**COMMITTEE MEMBERS PRESENT**

**Robert Gonzalez, MD**, Ventura County Health Care Agency  
**Rick Jarvis**, Private Hospitals / Healthcare System  
**Roberto S. Juarez**, Clinicas del Camino Real, Inc.

**EXCUSED / ABSENT MEMBERS**

**Lanyard Dial, MD**, Ventura County Medical Association  
**Catherine Rodriguez**, Ventura County Medical Health System

**STAFF EX OFFICIO COMMITTEE MEMBERS**

**Earl Greenia**, Chair, CEO  
**Darlane Johnsen**, Vice-Chair, CFO

**ADDITIONAL STAFF IN ATTENDANCE**

**Traci R. McGinley**, Clerk of the Board  
**Audra Lucas**, Administrative Assistant  
**Candice Limousin**, Human Resources Director  
**Brandy Armenta**, Quality Improvement Specialist  
**Guillermo Gonzalez**, Government Affairs Director

**PUBLIC COMMENT**

None.

**ADJOURN TO CLOSED SESSION - GC § 54957 - CEO Performance Evaluation**

The Committee adjourned to Closed Session at 4:38 p.m.

## **RETURN TO OPEN SESSION**

The Committee returned to open Session at 5:16 p.m. It was announced that the Committee will take their recommendation to the full Commission at the Closed Session to take place at 5:30 p.m.

## **ADJOURNMENT**

Chair Greenia adjourned the meeting at 5:17 p.m.

**Ventura County Medi-Cal Managed Care Commission  
(VCOMMCC) dba Gold Coast Health Plan (GCHP)  
Executive / Finance Committee Meeting Minutes  
December 14, 2011**

*(Not official until approved)*

**CALL TO ORDER**

Chair Greenia called the meeting to order at 3:30 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

**COMMITTEE MEMBERS PRESENT**

**Lanyard Dial, MD**, Ventura County Medical Association  
**Robert Gonzalez, MD**, Ventura County Health Care Agency (arrived at 4:20 p.m.)  
**Rick Jarvis**, Private Hospitals / Healthcare System  
**Roberto S. Juarez**, Clinicas del Camino Real, Inc.  
**Catherine Rodriguez**, Ventura County Medical Health System

**STAFF EX OFFICIO COMMITTEE MEMBERS**

**Earl Greenia, Chair, CEO**  
**Darlane Johnsen, Vice-Chair, CFO**

**ADDITIONAL STAFF IN ATTENDANCE**

**Traci R. McGinley**, Clerk of the Board  
**Audra Lucas**, Administrative Assistant  
**Candice Limousin**, Human Resources Director  
**Brandy Armenta**, Quality Improvement Specialist  
**Guillermo Gonzalez**, Government Affairs Director

**PUBLIC COMMENT**

None.

**1. APPROVAL OF MINUTES – NOVEMBER 9, 2011**

Member Juarez requested the 5<sup>th</sup> motion under 4.a. *CEO Authority*, be amended to read as follows:

“Member Juarez moved to re-affirm past Policies by the Commission with two changes as noted below and that the item be forwarded to the Commission:  
The first two bullets are to read as follows:

- Negotiation, execution and termination of provider contracts. As new model contracts are developed, Management will present such models to the Executive-Finance Committee as an information item.
- Negotiation and execution of vendor contracts, subject to thresholds established by the Commission (See Attached: VCOMMCC CEO Signing

Authority for Contractual Agreements for Administrative Goods and Services, approved on June 28, 2010).  
Commissioner Dial seconded and the motion carried. **Approved 5-0.**”

Committee Member Juarez moved to approve the minutes as amended, Member Jarvis seconded and the motion carried. **Approved 4-0.**

## **2. ACCEPT AND FILE CEO UPDATE**

CEO Greenia noted that when the Commission met in November there were more than 49,000 pended claims, this has decreased to 28,000. Improvements were made in three of the five focus areas.

In response to questions by the Committee, Ken Dixon of ACS advised the Committee that ACS receives approximately 20,000 claims per week, they currently have 80,000 claims on hand, and are processing claims on Saturdays to reduce the volume.

There was discussion that some providers have complained about GCHP services and expressed that they may stop seeing patients. The Committee expressed the need for enhanced communications to the providers.

CEO Greenia advised the Committee that Claims Director Connie Davis had recently resigned. Aimee Sziklai, Operations Director, will directly supervise the function until the position is filled.

CEO Greenia noted that staff is in the process of establishing a compliance committee and asked for a board liaison. After discussion, it was determined that it might be better to recruit a Commissioner that is not on the Executive Finance Committee given time constraints.

There was brief discussion of the need for additional or different office space and the options available.

The Committee asked about the process for an external audit. CFO Johnsen responded that she has received recommendations from other COHS and hopes to initiate an RFP process by the end of January.

There was dialogue regarding the 2.19% State budget cut. CFO Johnsen reported that staff is analyzing the impact. CEO Greenia noted his preference to apply any cuts going forward only, rather than retroactively apply reductions to providers.

It was asked if providers were paid interest for late payment of claims, to which CEO Greenia responded that there are contractual provisions. CEO Greenia added that staff is working with ACS and the State is aware of the challenges; further discussion was held.

## **3. ACCEPT AND FILE FINANCIAL REPORT**

**a. November Preliminary Financials**

CFO Johnsen reviewed the data and explained that staff is reviewing the variances.

Vice-Chair Gonzalez arrived.

CFO Johnsen continued, explaining that there have been some position reclassifications therefore this is the estimated impact. She added that it is too early to estimate reserves.

Recommendations were made by Committee Members and discussion was held regarding different auditing firms.

There was discussion on expenditures being moved between categories within the budget. Timelines for submission of information from Finance to the Committee were discussed at length. The Committee expressed their desire to review full package at the Executive Finance Committee. It was suggested that further discussion be held regarding the types of reports for regular review.

Member Juarez moved that staff review, vet the top three auditors and provide a recommendation to the Committee by the January Meeting, Member Gonzalez seconded. The motion carried. **Approved 5-0.**

**COMMENTS FROM COMMITTEE MEMBERS**

Discussion was held regarding the difficulty of holding the Commission meeting December 19<sup>th</sup> given the holidays. Commission Chair Dial suggested that the meeting be canceled.

Members noted that the Commission needs to review evaluation tools for CEO performance evaluation.

**ADJOURN TO CLOSED SESSION - GC § 54957 - CEO Performance Evaluation**

The Committee adjourned to Closed Session at 4:51 p.m.

**RETURN TO OPEN SESSION**

The Committee returned to open Session at 5:30 p.m. Member Dial announced that he was tasked with working with Human Resources to develop a process. The goal is to take it to the full Commission and completed the evaluation in February.

**ADJOURNMENT**

Chair Greenia adjourned the meeting at 5:35 p.m.

**GOLD COAST HEALTH PLAN**  
**Executive Summary**  
**December 2011 Financials**

**Membership**

Membership for December increased by approximately 69 members over November and is below budget by 470. The difference in membership mix was concentrated primarily in the Adult/ Family (475) aid category.

**Revenue**

Revenue for December came in below budget but exceeded budget year-to-date, due to:

- Higher budgeted membership in December resulted in a \$1.2M unfavorable variance. Gross Premium Revenue exceeded budget by \$6.5M year-to-date, and at the same time actual membership was lower than budget. This was because the budget rates reflected the AB97 adjustments and actual rates did not.
- December member mix, when compared to budget, was unfavorable by almost \$11.00 pmpm and favorable by \$11.00 pmpm at year-to-date. This is the result of differences in the membership mix. Membership has been updated in the reforecast to reflect the current membership mix.
- In October, California Department of Health Care Services announced that the premium would be reduced retro-active to July 1, 2011 as a result of the approval of the 10% provider rate reductions (AB 97) by CMS. The impact on Plan Premium was a 2.2% reduction or \$560,000 per month. Year-to-date, \$3.3 million had been accrued for future offsets.

**Health Care Costs**

December health care costs were \$21.8 million and \$127.6 million year to date. This compares to the forecast of \$21.7 million and \$127.8 million, respectively. Costs again followed budget, mainly due to the positive experience for pharmacy and capitation.

- **Claims:** GCHP is making progress in working through claims processing issues, but continues to book medical costs based on budget (adjusted for membership) until meaningful trends can be established. The overall unfavorable variance was largely due to retroactive membership increases impacting the calculation. In this connection, retroactivity amounted to approximately 3,400 members. Total claims (ex-pharmacy) for December were \$17.9M and \$107.1M year to date, compared with \$17.4M and \$105.3M per budget.
- **Capitation:** Capitation continued to perform favorably as compared to budget. Capitation was budgeted based on total membership for the three aid categories (Adult/Family, Aged & Disabled). Not all members in these categories are required to select a capitated PCP. December capitation was \$646.5K as compared to a budgeted \$735.2K, and year to date was \$3.7M compared to \$4.0M.

- **Pharmacy:** Pharmacy continued to outperform budget. As previously noted, utilization continued to be lower than originally forecasted. In December the Plan had a positive variance of \$341K and year-to-date \$1.7M. However, there was an increase in December pharmacy over November amounting to \$303K. December pharmacy encounters increased by over 2,800, as compared to the prior month.

As a side note, the top ten pharmacy dollar increases were as follows:

Drug Name	Dec 2011	Nov 2011	Increase
BENEFIX	55,000	-	55,000
INCIVEK	100,008	49,668	50,340
ATORVASTATIN	23,561	-	23,561
ZYVOX	17,031	461	16,569
REVLIMID	16,106	-	16,106
ENBREL SRCLK	24,402	11,278	13,124
VELETRI	10,197	-	10,197
MYCOPHENOLAT	24,031	15,225	8,807
REVATIO	23,791	15,096	8,695
ARANESP	7,156	-	7,156

### **General & Administrative Expenses**

In December, general and administrative expenses were favorable to budget by \$51K for the month, \$131K year-to-date. Vendor costs represented 71% of total general and administrative expenses, and payroll costs represented 21%.

- ACS fees are based on a per member per month basis. Year-to-date costs exceeded budget due to the increased membership
- CQS fees exceeded budget during the month of December due to the unbudgeted addition of 5 RNs and Mailroom clerks.
- ScriptCare management fees were significantly below budget because compensation is based on utilization. The favorable utilization was reflected in the better than budgeted administrative expense.
- Salaries and benefits continued to exceed budget due to additional positions added as the Plan's needs were more fully evaluated. In December the company incurred the cost of severing one employee, hiring another, and cost of merit increases retroactive to November 1.
- December's interest expense reflected the accrual of known interest payable to Providers for the period of August through December. The company expects this number to rise as more accurate reporting tools become available.

## **Balance Sheet**

- Cash and cash equivalents as of December 31 were \$31.7 million, exceeding forecast by \$2.0 million. The original forecast assumed premiums would be received in the month earned; however, premiums are received in the month subsequent. Beginning in November, the Company recorded the value of the outstanding claims checks as a negative cash balance. In December, outstanding claims checks amounted to \$8.6 million.
- The cash balance reflected the delay in processing claims. Year-to-date the Plan has paid \$61.4 million in claims and capitation; the budget forecasted that \$76.7 million would have been paid through December; a variance of \$23 million.
- Receivables included both the amounts due from the state for December and retroactive member increases (\$28.3 million) and provider receivables (\$2.9 million).
- Due to payment challenges, the plan has advanced interim payments to some providers; these will be offset by future claims payments.
- Incurred But Not Reported (IBNR)/Claims Payable as of December 31 was estimated at \$44.8 million (excluding \$1.6M in accrued pharmacy costs). Claims liability was estimated using budgeted per member per month amounts adjusted for membership plus retroactivity, less claims paid during the month. December claims paid amounted to \$22.0 million, reflecting an increase in processing activity aimed at reducing the backlog.
- Accrued Premium Reduction amounted to \$3.3 million and is the result of the reserve that GCHP continues to post for the mandated premium rate reduction. Premium payments were received reflecting the old, higher rates and the reserve was set aside for anticipated future settlement, retroactive to July 1. The amount added to the reserve in December was \$598K.
- Accrued Premium Tax Payable of \$3.6 million reflected six months of MCO tax not paid until January. Quarterly payments are normally required, but there were technical issues to resolve with the state regarding electronic payments. No penalties were assessed, and quarterly payments will be processed going forward.

## **Fund Balance**

As of December 31, the Plan had a positive fund balance of \$6.1 Million, primarily the result of higher actual membership than budgeted. Additionally, the budget reflects the lower AB97 adjusted rates.

## **Tangible Net Equity**

There is no Tangible Net Equity (TNE) requirement for December. According to the phased-in approach approved by the Department of Health Care Services, the Plan is not required to satisfy minimum TNE until after the first six months of operation. In accordance with the phase-in provision, the Plan will be required to attain 20% of the minimum required TNE. As of December 31, GCHP's the Plan's TNE was \$6.0M, which compares favorably to the pro forma phase-in requirement of \$2.9M (20% of \$14.6M).

**Gold Coast Health Plan  
Balance Sheet  
Period Ended December 31, 2011**

**ASSETS**

**Current Assets**

Petty Cash	\$ 1,000
Cash - Restricted	0
Cash -Operating Account	1,185,713
Cash - Claims Payment	(8,571,111)
Money Market Account	39,065,196

**Total Cash and Cash Equivalents** 31,680,799

Medi-Cal Receivable	28,284,129
Provider Receivable	2,909,732
Other Receivables	22,788

**Total Accounts Receivable** 31,216,649

Total Prepaid Accounts	115,582
Total Other Current Assets	320,000

**Total Current Assets** 63,333,030

**Total Fixed Assets** **78,874**

**Total Assets** 63,411,904

**LIABILITIES**

**Current Liabilities**

Incurred But Not Reported	18,598,456
Claims Payable	27,885,327
Capitation Payable	646,596
Accrued Premium Reduction	3,333,191

Accounts Payable	191,182
Accrued ACS	171,649
Accrued RGS	62,879
Accrued Premium Tax	3,560,842
Current Portion of Deferred Revenue	460,000
Accrued Payroll Expense	40,982
Current Portion Of Long Term Debt	500,000

**Total Current Liabilities** 55,451,104

Other Long-term Liability	291,667
Deferred Revenue - Long Term Portion	1,610,000

**Total Long-Term Liabilities** 1,901,667

**Total Liabilities** 57,352,771

Beginning Fund Balance	(4,422,819)
Net Income Current Year	10,481,952

**Total Fund Balance** **6,059,133**

**Total Liabilities & Fund Balance** 63,411,904

**Gold Coast Health Plan  
Income Statement  
Period Ended December 31, 2011**

	<u>OCT 2011</u>	<u>NOV 2011</u>	<u>DEC 2011</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>YTD</u>	<u>% of Rev</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	101,619	101,174	101,243	101,670	(427)	609,026		609,923	(897)
<b>Revenues</b>									
Premium	26,300,397	26,051,388	26,543,927	27,731,566	(1,187,639)	155,640,485	101.99%	149,126,983	6,513,502
Reserve for Retro-Active Rate Reduction	(556,951)	(557,959)	(560,056)	-	(560,056)	(3,333,191)	-2.18%	(1,658,225)	(1,674,966)
Interest Income	15,348	15,968	16,814	14,839	1,975	65,196	0.04%	61,573	3,623
Miscellaneous Income	38,333	38,333	38,333	38,333	0	230,000	0.15%	229,998	2
<b>Total Revenues</b>	<b>25,797,127</b>	<b>25,547,730</b>	<b>26,039,018</b>	<b>27,784,738</b>	<b>(1,745,720)</b>	<b>152,602,491</b>	<b>100.00%</b>	<b>147,760,329</b>	<b>4,842,162</b>
MCO Tax	597,129	601,035	598,144	568,826	29,318	3,560,842	2.33%	3,428,954	131,888
<b>Net Revenue</b>	<b>25,199,998</b>	<b>24,946,694</b>	<b>25,440,875</b>	<b>27,215,912</b>	<b>(1,775,037)</b>	<b>149,041,649</b>	<b>97.67%</b>	<b>144,331,375</b>	<b>4,710,274</b>
<b>Cost of Health Care</b>									
<u>Capitation</u>	625,098	637,089	646,596	735,229	88,633	3,744,260	2.45%	4,040,817	296,557
<u>Claims</u>									
Inpatient	10,929,693	10,902,069	10,912,454	10,558,410	(354,044)	64,994,107	42.59%	63,817,338	(1,176,769)
Outpatient	2,939,463	2,921,288	2,911,739	2,817,271	(94,468)	17,393,848	11.40%	18,371,808	977,960
Professional	2,228,037	2,222,405	2,224,523	2,152,350	(72,173)	13,249,281	8.68%	13,029,632	(219,649)
Pharmacy	2,884,784	2,913,958	3,217,573	3,558,444	340,871	16,741,618	10.97%	18,397,966	1,656,348
Reinsurance	94,616	92,928	92,131	92,520	389	557,217	0.37%	555,030	(2,187)
Other	1,843,404	1,851,697	1,844,975	1,781,255	(63,720)	10,894,750	7.14%	9,549,762	(1,344,988)
<u>Total Claims</u>	<u>20,919,998</u>	<u>20,904,345</u>	<u>21,203,395</u>	<u>20,960,250</u>	<u>(243,145)</u>	<u>123,830,821</u>	<u>81.15%</u>	<u>123,721,536</u>	<u>(109,285)</u>
<b>Total Cost of Health Care</b>	<b>21,545,096</b>	<b>21,541,434</b>	<b>21,849,991</b>	<b>21,695,479</b>	<b>(154,512)</b>	<b>127,575,080</b>	<b>83.60%</b>	<b>127,762,353</b>	<b>187,273</b>
<b>Administrative Expenses</b>									
Total Salaries Benefits and Compensation	366,471	367,354	415,981	425,168	9,187	2,209,326	1.45%	2,242,322	32,996
Total Travel and Training	4,504	2,106	1,310	7,790	6,480	25,572	0.02%	47,439	21,867
Outside Service - ACS	951,956	949,656	948,203	940,676	(7,527)	5,680,250	3.72%	5,610,798	(69,452)
Outside Service - CQS	251,186	191,197	191,152	173,948	(17,204)	1,112,098	0.73%	1,126,278	14,180
Outside Service - RGS	9,321	9,261	9,261	10,905	1,644	54,974	0.04%	58,104	3,130
Outside Service - Script Care	223,467	219,964	238,533	280,868	42,336	1,225,737	0.80%	1,386,379	160,642
Outside Services - Other	12,321	770	37,906	20,187	(17,719)	59,086	0.04%	43,117	(15,969)
Accounting & Actuarial Services	1,244	2,438	-	5,000	5,000	22,126	0.01%	33,445	11,319
Legal Expense	(7,542)	3,948	-	3,000	3,000	14,072	0.01%	26,667	12,595
Insurance	2,959	2,959	2,959	2,959	0	20,214	0.01%	20,216	2
Lease Expense -Office	13,040	13,040	13,040	13,040	-	78,240	0.05%	78,240	-
Consulting Services Expense	2,711	2,733	2,640	7,600	4,960	32,153	0.02%	46,363	14,210
Translation Services	831	1,440	15	1,397	1,382	3,760	0.00%	5,666	1,906
Advertising and Promotion Expense	49,239	13,226	406	3,744	3,338	153,602	0.10%	152,400	(1,202)
General Office Expenses	14,090	53,313	19,174	84,074	64,900	185,598	0.12%	122,303	(63,295)
Depreciation & Amortization Expense	1,461	1,461	1,461	1,461	0	8,764	0.01%	8,766	2
Printing Expense	144,933	(139,357)	2,014	25,359	23,345	12,354	0.01%	79,537	67,183
Shipping & Postage Expense	151,539	(148,599)	-	8,575	8,575	520	0.00%	22,304	21,784
Interest Exp	-	-	80,995	-	(80,995)	86,170	0.06%	5,175	(80,995)
<b>Total Administrative Expenses</b>	<b>2,193,728</b>	<b>1,546,908</b>	<b>1,965,049</b>	<b>2,015,751</b>	<b>50,702</b>	<b>10,984,617</b>	<b>7.20%</b>	<b>11,115,519</b>	<b>130,902</b>
<b>Net Income</b>	<b>1,461,174</b>	<b>1,858,351</b>	<b>1,625,835</b>	<b>3,504,682</b>	<b>(1,878,847)</b>	<b>10,481,952</b>	<b>6.87%</b>	<b>5,453,503</b>	<b>5,028,449</b>

**Gold Coast Health Plan  
Income Statement  
Current Month vs. Prior Month**

	<u>NOV 2011</u>	<u>DEC 2011</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)	<u>Variance Explanation</u>
<b>Members (Member/Months)</b>	<u>101,174</u>	<u>101,243</u>	<u>69</u>		
<b>Revenues</b>					
Premium	26,051,388	26,543,927	492,540	1.89%	Increase is caused by increase in enrollment and retro-payment, plus additional premium from HYDE payments for the quarter ended 12/31/2011.
Reserve for Retro-Active Rate Reduction	(557,959)	(560,056)	(2,098)	0.38%	Slight increase in enrollment was concentrated in the higher Cap aid category such as LTC Dual & LTC MediCal.
Interest Income	15,968	16,814	846	5.30%	Average bank balance increased from \$43.3 Mil. In November to \$52.1 Mil. In December
Miscellaneous Income	38,333	38,333	-	0.00%	
<b>Total Revenues</b>	<u><b>25,547,730</b></u>	<u><b>26,039,018</b></u>	<u><b>491,288</b></u>	<u><b>1.92%</b></u>	
MCO Tax	601,035	598,144	(2,892)	-0.48%	Net premium payments received declined by \$123K
<b>Net Revenue</b>	<u><b>24,946,694</b></u>	<u><b>25,440,875</b></u>	<u><b>494,180</b></u>	<u><b>1.98%</b></u>	
<b>Cost of Health Care</b>					
<u>Capitation</u>	637,089	646,596	(9,507)	-1.49%	Increase in Capitation payment is consistent with the increase in membership. This resulted in an average increase from \$9.9k in Nov. to \$10.3k in Dec. payments to Providers.
<b>Claims</b>					
Inpatient	10,902,069	10,912,454	(10,385)	-0.10%	
Outpatient	2,921,288	2,911,739	9,549	0.33%	
Professional	2,222,405	2,224,523	(2,118)	-0.10%	
Pharmacy	2,913,958	3,217,573	(303,615)	-10.42%	
Reinsurance	92,928	92,131	797	0.86%	
Other	1,851,697	1,844,975	6,722	0.36%	
<u>Total Claims</u>	<u><b>20,904,345</b></u>	<u><b>21,203,395</b></u>	<u><b>(299,050)</b></u>	<u><b>-1.43%</b></u>	
<b>Total Cost of Health Care</b>	<u><b>21,541,434</b></u>	<u><b>21,849,991</b></u>	<u><b>(308,557)</b></u>	<u><b>-1.43%</b></u>	
<b>Administrative Expenses</b>					

**Gold Coast Health Plan  
Income Statement  
Current Month vs. Prior Month**

	<u>NOV 2011</u>	<u>DEC 2011</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)	<u>Variance Explanation</u>
					Unfav. variance in payroll cost includes merit increases that were retroactive to Nov., the cost of severance for one employee and one new hire.
Total Salaries Benefits and Compensation	367,354	415,981	(48,627)	-13.24%	
Total Travel and Training	2,106	1,310	795	37.78%	
Outside Service - ACS	949,656	948,203	1,453	0.15%	
Outside Service - CQS	191,197	191,152	45	0.02%	
Outside Service - RGS	9,261	9,261	-	0.00%	
Outside Service - Script Care	219,964	238,533	(18,569)	-8.44%	
Outside Services - Other	770	37,906	(37,136)	-4822.82%	Unfav. increase of \$37k is the result of health status evaluations provided by Livingston Memorial Visiting Nurses.
Accounting & Actuarial Services	2,438	-	2,438	100.00%	
Legal Expense	3,948	-	3,948	100.00%	
Insurance	2,959	2,959	-	0.00%	
Lease Expense -Office	13,040	13,040	-	0.00%	
Consulting Services Expense	2,733	2,640	93	3.40%	
Translation Services	1,440	15	1,425	98.96%	Delayed billings in resulted in an overstatement of Nov.'s expenses.
Advertising and Promotion Expense	13,226	406	12,820	96.93%	Nov. expenses is made up primarily of the cost of a six week radio campaign on KHAY.
General Office Expenses	53,313	19,174	34,139	64.04%	Nov. expenses is made up of increase expenditure for recruiting efforts, the amortization of several newly purchased software licenses, retroactive payments for CAHIO dues.
Depreciation & Amortization Expense	1,461	1,461	-	0.00%	
Printing Expense	(139,357)	2,014	(141,371)	101.45%	Printing charges were billed in error by ACS in Oct. and reversed in Nov.
Shipping & Postage Expense	(148,599)	-	(148,599)	100.00%	Postage charges were billed in error by ACS in Oct. and reversed in Nov.
Interest Exp	-	80,995	(80,995)	-100.00%	Unfav. Variance in cludes interest expense incurred from Aug. thru Dec.
<b>Total Administrative Expenses</b>	<b>1,546,908</b>	<b>1,965,049</b>	<b>(418,140)</b>	<b>-27.03%</b>	
<b>Net Income</b>	<b>1,858,351</b>	<b>1,625,835</b>	<b>(232,517)</b>	<b>-12.51%</b>	

**Gold Coast Health Plan  
General Office Expense  
Period Ended December 31, 2011**

	<u>NOV 2011</u>	<u>DEC 2011</u>
Commission Fees	-	-
Committee/Advisory	1,275	500
Non-Capital - Furniture & Equip.	1,507	1,507
Non-Capital Equipment - Computer	-	-
Software Licenses	16,691	7,699
Repairs & Maintenance	2,684	35
Telephone Services/ Internet Charges	647	2,116
Utilities	-	-
Lease Expense -Equipment	-	-
Office & Operating Supplies	9,518	1,665
Bank Service Fees Expense	-	-
Bad Debt Expense	-	-
EE Recruitment	6,922	3,073
Prof Dues, Fees and Licenses	12,689	1,199
Subscriptions and Publications	1,381	1,381
Charitable Contributions and Donations	-	-
General Office Expenses	<u>53,313</u>	<u>19,174</u>

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2011 - June 30, 2012**  
*Reforecasted P & L - 01.13.2012*

DRAFT - December Prelim

	Actual						Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	6+6 Total	Approved 3+9	Var Fav/(Unfav)	% Change
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11										
<b>Member Months</b>	<b>102,033</b>	<b>101,487</b>	<b>101,470</b>	<b>101,619</b>	<b>101,264</b>	<b>101,243</b>	<b>101,268</b>	<b>101,294</b>	<b>101,319</b>	<b>101,344</b>	<b>101,370</b>	<b>101,395</b>	<b>1,217,106</b>	<b>1,220,476</b>	<b>(3,370)</b>	<b>-0.3%</b>
Average Membership													101,425	101,706	(281)	-0.3%
<b>Revenue</b>																
Premium	25,231,919	25,578,699	25,934,155	26,300,397	26,051,388	26,543,927	24,753,666	24,759,855	24,766,045	24,772,236	24,778,429	24,784,624	304,255,340	297,646,272	6,609,067	2.2%
Reserve for Retro Rate Decrease	-	-	(1,658,225)	(556,951)	(557,959)	(560,056)							(3,333,191)	(1,658,225)	(1,674,966)	101.0%
<b>Adjusted Revenue</b>	<b>25,231,919</b>	<b>25,578,699</b>	<b>24,275,931</b>	<b>25,743,446</b>	<b>25,493,429</b>	<b>25,983,871</b>	<b>24,753,666</b>	<b>24,759,855</b>	<b>24,766,045</b>	<b>24,772,236</b>	<b>24,778,429</b>	<b>24,784,624</b>	<b>300,922,149</b>	<b>295,988,047</b>	<b>4,934,102</b>	<b>1.7%</b>
Interest Income	-	5,816	11,251	15,348	15,968	16,814	14,852	14,856	14,860	14,863	14,867	14,871	154,365	150,684	3,681	2.4%
Other Income	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	459,998	459,996	2	0.0%
<b>Total Gross Revenue</b>	<b>25,270,252</b>	<b>25,622,849</b>	<b>24,325,515</b>	<b>25,797,127</b>	<b>25,547,730</b>	<b>26,039,018</b>	<b>24,806,851</b>	<b>24,813,044</b>	<b>24,819,237</b>	<b>24,825,432</b>	<b>24,831,629</b>	<b>24,837,828</b>	<b>301,536,512</b>	<b>296,598,728</b>	<b>4,937,785</b>	<b>1.7%</b>
MCO Tax	591,954	587,426	585,154	597,129	601,035	598,144	569,334	569,477	569,619	569,761	569,904	570,046	6,978,984	6,844,898	134,086	2.0%
<b>Net Revenue</b>	<b>24,678,298</b>	<b>25,035,423</b>	<b>23,740,361</b>	<b>25,199,998</b>	<b>24,946,694</b>	<b>25,440,875</b>	<b>24,237,517</b>	<b>24,243,567</b>	<b>24,249,618</b>	<b>24,255,671</b>	<b>24,261,725</b>	<b>24,267,781</b>	<b>294,557,529</b>	<b>289,753,830</b>	<b>4,803,699</b>	<b>1.7%</b>
<b>Health Care Costs</b>																
<b>Capitation</b>	588,173	582,177	665,127	625,098	637,089	646,596	731,988	732,171	732,354	732,537	732,720	732,903	8,138,933	8,456,054	317,121	3.8%
<b>Claims</b>																
Inpatient	10,596,127	10,768,103	10,885,661	10,929,693	10,902,069	10,912,454	10,516,714	10,519,343	10,521,973	10,524,604	10,527,235	10,529,867	128,133,842	127,223,256	(910,586)	-0.7%
Outpatient	2,827,335	2,873,222	2,920,801	2,939,463	2,921,288	2,911,739	2,806,145	2,806,846	2,807,548	2,808,250	2,808,952	2,809,654	34,241,244	34,824,166	582,922	1.7%
Professional	2,160,039	2,195,217	2,219,060	2,228,037	2,222,405	2,224,523	2,143,850	2,144,386	2,144,922	2,145,458	2,145,995	2,146,531	26,120,424	25,955,036	(165,387)	-0.6%
Pharmacy	2,276,259	2,701,995	2,747,049	2,884,784	2,913,958	3,217,573	3,544,391	3,545,277	3,546,163	3,547,050	3,547,937	3,548,824	38,021,260	39,767,317	1,746,057	4.4%
Other	1,760,535	1,790,171	1,803,967	1,843,404	1,851,697	1,844,975	1,774,221	1,774,664	1,775,108	1,775,552	1,775,996	1,776,440	21,546,730	20,712,711	(834,019)	-4.0%
Reinsurance	92,850	92,353	92,338	94,616	92,928	92,131	92,154	92,177	92,200	92,223	92,246	92,269	1,110,487	1,110,633	146	0.0%
Reinsurance Recoveries																
<b>Total Claims</b>	<b>19,713,145</b>	<b>20,421,061</b>	<b>20,668,876</b>	<b>20,919,998</b>	<b>20,904,345</b>	<b>21,203,395</b>	<b>20,877,475</b>	<b>20,882,694</b>	<b>20,887,915</b>	<b>20,893,137</b>	<b>20,898,360</b>	<b>20,903,585</b>	<b>249,173,987</b>	<b>249,593,119</b>	<b>419,132</b>	<b>0.2%</b>
<b>Total Health Care Costs</b>	<b>20,301,317</b>	<b>21,003,238</b>	<b>21,334,003</b>	<b>21,545,096</b>	<b>21,541,434</b>	<b>21,849,991</b>	<b>21,609,463</b>	<b>21,614,865</b>	<b>21,620,269</b>	<b>21,625,674</b>	<b>21,631,080</b>	<b>21,636,488</b>	<b>257,312,920</b>	<b>258,049,173</b>	<b>736,253</b>	<b>0.3%</b>
<b>Administrative Expenses</b>	<b>1,762,708</b>	<b>1,596,607</b>	<b>1,919,616</b>	<b>2,193,728</b>	<b>1,546,909</b>	<b>1,965,049</b>	<b>2,219,844</b>	<b>2,214,413</b>	<b>2,162,808</b>	<b>2,148,467</b>	<b>2,222,417</b>	<b>2,153,602</b>	<b>24,106,168</b>	<b>24,225,120</b>	<b>118,951</b>	<b>0.5%</b>
<b>Net Income</b>	<b>2,614,273</b>	<b>2,435,577</b>	<b>486,741</b>	<b>1,461,174</b>	<b>1,858,351</b>	<b>1,625,835</b>	<b>408,210</b>	<b>414,289</b>	<b>466,541</b>	<b>481,530</b>	<b>408,228</b>	<b>477,691</b>	<b>13,138,440</b>	<b>7,479,537</b>	<b>5,658,903</b>	<b>75.7%</b>

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2011 - June 30, 2012**  
*Reforecasted P & L - 01.13.2012*

DRAFT - December Prelim

	<u>Actual</u>																
	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>6+6 Total</u>	<u>Approved 3+9</u>	<u>Var Fav/(Unfav)</u>	<u>% Change</u>	
<b>PMPM</b>																	
<b><u>Revenue</u></b>																	
Premium	247.29	252.04	239.24	253.33	251.75	256.65	244.44	244.44	244.44	244.44	244.44	244.44	247.24	242.52	4.73	1.9%	
Interest Income	-	0.06	0.11	0.15													
Other Income	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.00	0.2%	
<b>Total Gross Revenue</b>	<b>247.67</b>	<b>252.47</b>	<b>239.73</b>	<b>253.86</b>	<b>252.29</b>	<b>257.19</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>247.75</b>	<b>243.02</b>	<b>4.73</b>	<b>1.9%</b>	
MCO Tax	5.80	5.79	5.77	5.88	5.94	5.91	5.62	5.62	5.62	5.62	5.62	5.62	5.73	5.61	0.13	2.2%	
<b>Net Revenue</b>	<b>241.87</b>	<b>246.69</b>	<b>233.96</b>	<b>247.99</b>	<b>246.35</b>	<b>251.29</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>242.01</b>	<b>237.41</b>	<b>4.60</b>	<b>1.9%</b>	
<b><u>Health Care Costs</u></b>																	
<b>Capitation</b>	5.76	5.74	6.55	6.15	6.29	6.39	7.23	7.23	7.23	7.23	7.23	7.23	6.69	6.93	0.24	3.5%	
<b>Claims</b>																	
Inpatient	103.85	106.10	107.28	107.56	107.66	107.78	103.85	103.85	103.85	103.85	103.85	103.85	105.28	104.24	(1.04)	-1.0%	
Outpatient	27.71	28.31	28.78	28.93	28.85	28.76	27.71	27.71	27.71	27.71	27.71	27.71	28.13	28.53	0.40	1.4%	
Professional	21.17	21.63	21.87	21.93	21.95	21.97	21.17	21.17	21.17	21.17	21.17	21.17	21.46	21.27	(0.19)	-0.9%	
Pharmacy	22.31	26.62	27.07	28.39	28.78	31.78	35.00	35.00	35.00	35.00	35.00	35.00	31.24	32.58	1.34	4.1%	
Other	17.25	17.64	17.78	18.14	18.29	18.22	17.52	17.52	17.52	17.52	17.52	17.52	17.70	16.97	(0.73)	-4.3%	
Reinsurance	0.91	0.91	0.91	0.91	0.92	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	(0.00)	-0.3%	
Reinsurance Recoveries	-	-															
<b>Total Claims</b>	<b>193.20</b>	<b>201.22</b>	<b>203.69</b>	<b>205.87</b>	<b>206.43</b>	<b>209.43</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>204.73</b>	<b>204.50</b>	<b>(0.22)</b>	<b>-0.1%</b>	
<b>Total Health Care Costs</b>	<b>198.97</b>	<b>206.95</b>	<b>210.25</b>	<b>212.02</b>	<b>212.73</b>	<b>215.82</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>211.41</b>	<b>211.43</b>	<b>0.02</b>	<b>0.0%</b>	
<b><u>Administrative Expenses</u></b>	<b>17.28</b>	<b>15.73</b>	<b>18.92</b>	<b>21.59</b>	<b>15.28</b>	<b>19.41</b>	<b>21.92</b>	<b>21.86</b>	<b>21.35</b>	<b>21.20</b>	<b>21.92</b>	<b>21.24</b>	<b>19.81</b>	<b>19.85</b>	<b>0.04</b>	<b>0.2%</b>	
<b>Net Income</b>	<b>25.62</b>	<b>24.00</b>	<b>4.80</b>	<b>14.38</b>	<b>18.35</b>	<b>16.06</b>	<b>4.03</b>	<b>4.09</b>	<b>4.60</b>	<b>4.75</b>	<b>4.03</b>	<b>4.71</b>	<b>10.79</b>	<b>6.13</b>	<b>4.67</b>	<b>76.1%</b>	

**Gold Coast Health Plan  
Statement of Cash Flows  
Month Ended December 31, 2011**

Cash Flow From Operating Activities	
Collected Premium	\$0
Miscellaneous Income	16,814
<u>Paid Claims</u>	
Medical & Hospital Expenses	(22,030,108)
Pharmacy	(3,391,773)
Capitation	(637,089)
Reinsurance of Claims	-
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(3,375,310)
Repay Initial Net Liabilities	-
MCO Taxes Expense	-
Net Cash Provided by Operating Activities	(29,417,467)
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	-
Net Cash Provided by Investing/Financing	-
<b>Net Cash Flow</b>	<b><u>(29,417,467)</u></b>
Cash and Cash Equivalents (Beg. of Period)	61,098,266
Cash and Cash Equivalents (End of Period)	<u>31,680,799</u>
	<b><u>(29,417,467)</u></b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net (Loss) Income	1,625,835
Depreciation & Amortization	1,461
Decrease/(Increase) in Receivables	(25,855,748)
Decrease/(Increase) in Prepays & Other Current Assets	(51,830)
(Decrease)/Increase in Payables	(1,491,013)
(Decrease)/Increase in LT Liabilities	(80,000)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	598,144
Changes in Claims and Capitation Payable	3,723,165
Changes in IBNR	(7,887,480)
	<u>(29,417,467)</u>
<b>Net Cash Flow from Operating Activities</b>	<b><u>(29,417,467)</u></b>

## Balance Sheet

	11/30/2011	12/31/2011	Change	
Total Cash and Cash Equivalents	61,098,265.64	31,680,798.73	29,417,466.91	
Medi-Cal Receivable	1,740,202.00	28,284,129.44	(26,543,927.44)	
Provider Receivable	3,599,511.32	2,909,731.90	689,779.42	
Other Receivables	21,188.15	22,788.15	(1,600.00)	
Total Accounts Receivable	5,360,901.47	31,216,649.49	(25,855,748.02)	
Total Prepaid Accounts	63,751.23	115,581.55	(51,830.32)	
Total Other Current Assets	320,000.00	320,000.00	0.00	
Total Current Assets	66,842,918.34	63,333,029.77	(25,907,578.34)	(25,855,748.02)
				0.00
<b>Total Fixed Assets</b>	<b>80,334.69</b>	<b>78,874.06</b>	1,460.63	(5,098,166.11)
<b>Total Assets</b>	<b>66,923,253.03</b>	<b>63,411,903.83</b>	(25,906,117.71)	(30,953,914.13)
Incurring But Not Reported	26,485,936.00	18,598,456.00	(7,887,480.00)	<b>(1,625,834.86)</b>
Claims Payable	24,731,725.77	27,885,327.46	3,153,601.69	
Capitation Payable	637,089.13	646,596.22	9,507.09	3,723,165.18
Payable to State	2,773,134.25	3,333,190.65	560,056.40	
Accounts Payable	92,173.43	191,182.30	99,008.87	(1,491,012.75)
Accrued Expenses	0.00	0.00	0.00	
Accrued Interest Payable	0.00	0.00	0.00	(51,830.32)
Accrued ACS	1,744,622.85	171,648.53	(1,572,974.32)	
Accrued RGS	120,908.58	62,879.23	(58,029.35)	
Accrued Scriptcare	0.00	0.00	0.00	
Accrued CQS	0.00	0.00	0.00	598,143.51
Accrued Premium Tax	2,962,698.54	3,560,842.05		
Current Portion of Long Term Debt	460,000.00	460,000.00	0.00	
Accrued Payroll Expense	0.00	40,982.05	40,982.05	
Other Current Liabilities	500,000.00	500,000.00	0.00	
<b>Total Current Liabilities</b>	<b>60,508,288.55</b>	<b>55,451,104.49</b>	(5,098,166.11)	
<u>Long-Term Liabilities</u>				
Other Long-term Liability	333,333.32	291,666.65	(41,666.67)	
Advance - Long Term Debt	1,648,333.35	1,610,000.02	(38,333.33)	
Notes Payable	0.00	0.00	0.00	
<b>Total Long-Term Liabilities</b>	<b>1,981,666.67</b>	<b>1,901,666.67</b>	(80,000.00)	
<b>Total Liabilities</b>	<b>62,489,955.22</b>	<b>57,352,771.16</b>	(5,137,184.06)	
<b>Equity</b>				
<u>Retained Funds</u>				
Net Income Current Year	8,856,116.90	10,481,951.76	1,625,834.86	
Retained Funds Prior Years	(4,422,819.09)	(4,422,819.09)		
Total Retained Earnings	(4,422,819.09)	(4,422,819.09)	(4,422,819.09)	
<b>Total Equity</b>	<b>4,433,297.81</b>	<b>6,059,132.67</b>	1,625,834.86	
<b>Total Liabilities &amp; Equity</b>	<b>66,923,253.03</b>	<b>63,411,903.83</b>	<b>(3,511,349.20)</b>	
	0.00	0.00	(29,417,466.91)	

**Gold Coast Health Plan  
Statement of Cash Flows  
Six Months Ended December 31, 2011**

Cash Flow From Operating Activities	
Collected Premium	\$127,357,120
Miscellaneous Income	86,436
<u>Paid Claims</u>	
Medical & Hospital Expenses	(66,359,178)
Pharmacy	(13,880,350)
Capitation	(3,735,153)
Reinsurance of Claims	(465,086)
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(11,983,688)
Repay Initial Net Liabilities	-
MCO Taxes Expense	-
Net Cash Provided by Operating Activities	-
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	-
Net Cash Provided by Investing/Financing	-
<b>Net Cash Flow</b>	<b><u>31,020,101</u></b>
Cash and Cash Equivalents (Beg. of Period)	660,697
Cash and Cash Equivalents (End of Period)	<u>31,680,799</u>
	<b><u>31,020,101</u></b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net (Loss) Income	10,481,952
Depreciation & Amortization	8,764
Decrease/(Increase) in Receivables	(31,207,495)
Decrease/(Increase) in Prepays & Other Current Assets	(395,455)
(Decrease)/Increase in Payables	(1,453,744)
(Decrease)/Increase in LT Liabilities	(438,333)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	3,560,842
Changes in Claims and Capitation Payable	31,865,114
Changes in IBNR	18,598,456
	<u>31,020,101</u>
<b>Net Cash Flow from Operating Activities</b>	<b><u>31,020,101</u></b>

## Balance Sheet

	6/30/2011	12/31/2011
Total Cash and Cash Equivalents	660,697.45	31,680,798.73
Medi-Cal Receivable	0.00	28,284,129.44
Provider Receivable	0.00	2,909,731.90
Other Receivables	9,154.68	22,788.15
Total Accounts Receivable	9,154.68	31,216,649.49
Total Prepaid Accounts	40,126.76	115,581.55
Total Other Current Assets	0.00	320,000.00
Total Current Assets	<u>709,978.89</u>	<u>63,333,029.77</u>
<b>Total Fixed Assets</b>	<b>87,637.84</b>	<b>78,874.06</b>
<b>Total Assets</b>	<b><u>797,616.73</u></b>	<b><u>63,411,903.83</u></b>
Incurring But Not Reported	0.00	18,598,456.00
Claims Payable	0.00	27,885,327.46
Capitation Payable	0.00	646,596.22
Payable to the State	0.00	3,333,190.65
Accounts Payable	47,377.36	191,182.30
Accrued Expenses	201,553.00	0.00
Accrued Interest Payable	0.00	0.00
Accrued ACS	1,251,737.64	171,648.53
Accrued RGS	0.00	62,879.23
Accrued Scriptcare	0.00	0.00
Accrued CQS	78,125.16	0.00
Accrued Premium Tax	0.00	3,560,842.05
Current Portion of Long Term Debt	0.00	460,000.00
Accrued Payroll Expense	1,301,642.66	40,982.05
Other Current Liabilities	0.00	500,000.00
<b>Total Current Liabilities</b>	<b><u>2,880,435.82</u></b>	<b><u>55,451,104.49</u></b>
<u>Long-Term Liabilities</u>		
Other Long-term Liability	500,000.00	291,666.65
Advance - Long Term Debt	1,840,000.00	1,610,000.02
Notes Payable	0.00	0.00
<b>Total Long-Term Liabilities</b>	<b><u>2,340,000.00</u></b>	<b><u>1,901,666.67</u></b>
<b>Total Liabilities</b>	<b><u>5,220,435.82</u></b>	<b><u>57,352,771.16</u></b>
<b>Equity</b>		
<u>Retained Earnings</u>		
Net Income Current Year	(4,422,819.09)	10,481,951.76
Retained Earnings Prior Years	0.00	(4,422,819.09)

Total Retained Earnings	0.00	(4,422,819.09)
<b>Total Equity</b>	<b>(4,422,819.09)</b>	<b>6,059,132.67</b>
<b>Total Liabilities &amp; Equity</b>	<b><u>797,616.73</u></b>	<b><u>63,411,903.83</u></b>
	0.00	0.00

Change

(31,020,101.28)		
(28,284,129.44)		
(2,909,731.90)		
(13,633.47)		
(31,207,494.81)		
(75,454.79)		
(320,000.00)		
<u>(31,602,949.60)</u>		(31,207,494.81)
8,763.78		(1,453,743.71)
(31,594,185.82)		
18,598,456.00		<b>(10,481,951.76)</b>
27,885,327.46		
646,596.22		31,865,114.33
3,333,190.65		
143,804.94		(1,453,743.71)
(201,553.00)		
0.00		(395,454.79)
(1,080,089.11)		
62,879.23		
0.00		
(78,125.16)	3,560,842.05	
460,000.00		
(1,260,660.61)		
500,000.00		
(1,453,743.71)		
(208,333.35)		
(229,999.98)		
0.00		
(438,333.33)		
52,132,335.34		
14,904,770.85		

(4,422,819.09)

10,481,951.76

**62,614,287.10**

31,020,101.28

**11-Dec**

November Ending Cash		<b>\$ 61,098,265.64</b>
Beginning Cash November		<b>\$ 61,098,265.64</b>
Deposits		
	Dec-11 Premium	\$ -
	Dec-11 Interest	\$ 16,813.69
		\$ -
	Receivable from ACS	\$ -
Total Deposits		<b>\$ 16,813.69</b>
Administration Expense		<b>\$ (3,375,309.98)</b>
Claims Payment		
	Paid Thru Operating Account	\$ (2,285,138.61)
	Paid Thru Claims Account	\$ (16,812,174.07)
	Claims Payment still outstanding	\$ (2,932,795.42)
	Capitation Payment	\$ (637,089.13)
	SCRIPT CARE LTD	\$ (3,391,773.39)
	Reinsurance	\$ -
Total Claims Paid		<b>\$ (26,058,970.62)</b>
December Ending Cash		<b>\$ 31,680,798.73</b>
		31,680,798.73
		\$ -



**GCHP Capitation Rate Change  
December, 2011**

<u>Aid Category</u>	<b>Average Enrollment</b>	<b>Old Cap Rate</b>	<b>New Cap Rate</b>	<b>Avg. Monthly Cap Reduction</b>
Adult/Family	74,443	131.64	130.34	\$ (96,775.90)
Aged - Medi-cal	1,286	521.14	520.99	(192.90)
Disabled - Medi-Cal	7,783	832.79	826.55	(48,565.92)
Long Term Care - Medi-Cal	71	7027.51	6732.03	(20,979.08)
Aged - Dual	9,130	233.69	224.19	(86,735.00)
Disabled - Dual	7,390	197.32	189.36	(58,824.40)
Long Term Care - Dual	890	4494.06	4216.68	(246,868.20)
BCCTP	250	1062.47	1058.01	(1,115.00)
Abortion (Family/Adult Only)				
<b>Total</b>	<b>101,243</b>			<b>\$ (560,056.40)</b>

**GCHP MCO Tax Calculation  
December, 2011**

Medical Premium	\$ 25,971,110.14
Healthy Family Premium	41,861.52
	<u>26,012,971.66</u>
Less:	
AB97 Medi-Cal provider rate cuts	<u>(560,056.40)</u>
Net Premium	25,452,915.26
Tax Rate	<u>2.35%</u>
Estimated MCO Tax	<b>\$ 598,143.51</b>