

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

**AMENDED AGENDA**

**DATE:** Thursday, July 19, 2012

**TIME:** 1:30

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

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

**Public Comment / Correspondence**

1. **Approve Minutes**
  - a. May 17, 2012 Meeting Minutes
  - b. June 21, 2012 Meeting Minutes
2. **Accept and File CEO Update** (*verbal*)
3. **Accept and File Financial Report**
  - a. June Draft Unaudited Financials
  - b. Budget
4. **Space**
  - a. Recommendation to Commission to Authorize Management to Begin Negotiation a Lease of Property to be Used for Office Space
5. **Contract Review**
  - a. Consideration and Recommendation to Commission of Extension of Tatum Contract
6. **Consideration and Recommendation to the Commission of Costs Associated with Implementing Specialty Contract**

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

---

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 (VCMCC) dba**

**Gold Coast Health Plan – July 19, 2012**

**Executive Finance Committee Meeting Agenda** *(continued)*

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

**TIME:** 1:30

7. **Update Regarding Claims Process**
8. **Establish Audit Committee**
9. **Establish Executive / Finance Meeting Schedule**

**Comments from Members**

**Adjourn**

Unless otherwise determined by the Commission, the next regular meeting of the Executive Finance Committee Meeting will be held on August 2, 2012 at 1:30 p.m. at 2240 E. Gonzales Road, Suite 230, Oxnard CA 93036

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

---

**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 Meeting Minutes**

**May 17, 2012**

*(Not official until approved)*

**CALL TO ORDER**

Interim CEO Undlin called the meeting to order at 3:01 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

**COMMITTEE MEMBERS PRESENT**

**David Glyer**, Private Hospitals / Healthcare System

**Robert Gonzalez, MD**, Ventura County Health Care Agency

**Roberto S. Juarez**, Clinicas del Camino Real, Inc.

**Catherine Rodriguez**, Ventura County Medical Health System

**EXCUSED / ABSENT MEMBERS**

*Vacant Seat*

**STAFF IN ATTENDANCE**

**Cassie Undlin**, Interim CEO

**Sonia DeMarta**, Interim CFO

**Nancy Kierstyn Schreiner**, Legal Counsel

**Traci R. McGinley**, Clerk of the Board

**Lorraine Kor**, Administrative Assistant

**Paula Cabral**, Administrative Assistant

**Steve Lalich**, Communications Director

**Lyndon Turner**, Sr. Financial Analyst

The Pledge of Allegiance was recited.

Clarification of Chair: Legal Counsel Schreiner noted that it is customary for the Commission Chair to be the Chair of the Executive Finance Committee as well; not the CEO as has been the case.

Chair Gonzalez announced that a number of Agenda Items would be taken out of sequence.

**PUBLIC COMMENT**

None.

## 12. REQUEST TO MOVE TIME OF MEETING TO 1:30 OR MOVE DATE

There was Committee Member consensus that the item be taken before the Commission for approval for the meeting to begin at 1:30 p.m.

### 1. APPROVAL OF MINUTES

#### a. Regular Meeting of March 20, 2012

There was Committee Consensus that the Minutes of the Meeting of March 20, 2012 be returned to the Clerk of the Board for clarification.

#### b. Special Meeting of April 3, 2012

It was noted that Page 4, Item 1 (*continued*) should read as follows:

“Committee Member Juarez moved to hire Nordman Cormany Hair & Compton LLP, and have Counsel Polich review the terms and outsourcing requirements. Committee Member Glycer seconded. Motion Carried. **Approved 4-0.**”

Committee Member Glycer moved to approve the Special Meeting Minutes of April 3, 2012, as amended. Committee Member Rodriguez seconded. The motion carried. **Approved 4-0.**

#### c. Special Meeting of April 19, 2012

Committee Member Glycer moved to approve the Special Meeting Minutes of April 19, 2012. Committee Member Rodriguez seconded. The motion carried. **Approved 4-0.**

#### d. Regular Meeting of April 19, 2012

Committee Member Glycer moved to approve the Meeting Minutes of April 19, 2012. Committee Member Rodriguez seconded. The motion carried. **Approved 4-0.**

### 3. CONTRACT UPDATE

#### a. Provider Contracts

Interim CEO Undlin advised the Committee that the Plan is contracting with a company that was recommended by CenCal to renew the contracts with Providers. Interim CEO Undlin will be handling the Hospital Contracts.

#### c. Specialty Contract

Interim CEO Undlin noted that the Multi-Specialty Contract should be completed within a few days.

#### d. Public Relations

Interim CEO Undlin expressed that she is trying to determine what will be the best in our community.

**b. Tatum Contract Update**

Chair Gonzalez stated that the \$150,000 approved for the Tatum contract will be exhausted by July. Based on the assessment performed by Tatum, it will benefit the Plan to continue their work. Chair Gonzalez expressed the need to continue Interim CEO Undlin beyond June; contract for additional resources in the Finance and Operations area; as well performing an IT assessment. He noted that additional funds would need to be added to the contract for those items as well.

Discussion was also held regarding overlap services after a regular CEO is selected, the Tatum action plan presentation reviewed by the Special Committee and the amount of savings discovered by Tatum.

It was determined that the presentation to the Special Committee would be presented to the Commission when this item is taken forward.

**4. BANKING RESTRICT 2,000,000 FOR EFT**

Interim CFO DeMarta explained the EFT process for paying providers. Interim CEO Undlin added that this has the potential to speed up the payments to providers, on average by 11 days. She added that the agreement would be reviewed by Legal Counsel.

Concern was expressed about the risk of reducing the cash balance. It was requested that the EFT payments be suspended if the cash balance falls below \$10,000,000. Interim CFO DeMarta added that this could be revisited after the Plan has its first year audit.

Legal Counsel Schreiner left the meeting (3:50 p.m.)

Committee Member Juarez moved to approve opening a \$3.5 million Money Market Account to use for MCO taxes and pre-fund ACH / EFT payments to Providers. Committee Member Glycer seconded. The motion carried. **Approved: 3-1**, with Committee Member Rodriguez voting no.

**5. ACCEPT AND FILE FINANCIAL REPORT**

**a. April Financials**

Interim CFO DeMarta reviewed the April Financials as provided in the packet. She highlighted the Summary Financials noting that Gross Revenue is higher at \$25.4 million; however, Administrative Costs are up as well at \$1.7 million. Health Care costs are \$22.9 million per month and Membership has been fairly consistent. TNE is \$5.4 million; the required is 20% as of today so the Plan is ahead of the requirement.

It was noted that Interim CEO Undlin and Legal Counsel Schreiner will be reviewing the Regional Government Services (RGS) Contract as to the appropriateness of legal expenses of \$33,002 being passed through to the Plan. Discussion was held as to what point RGS carries financial liability.

**6. AUTO ASSIGNMENT POLICY UPDATE**

Interim CEO Undlin advised the Committee that she retained additional resources to research this information and the report is due to her the following day. She will be taking that information to the Auto Assignment Committee.

**7. TRANSFER OF NURSES FROM ACS TO RGS UPDATE**

Interim CEO Undlin updated the Committee that the transfer is on hold as the ACS contract has penalties if the Nurses are pulled into the Plan early.

**8. ACS UPDATE**

Interim CEO Undlin stated that Tatum is continuing to detail the requirements of the Plan and of ACS as documented in the contract. She indicated that a she established a contract manager whose role it is to hold ACS and the Plan accountable to the terms of the contract and subsequent agreements.

**9. WEBSITE UPDATE**

Interim CEO Undlin noted that the current website is developed and managed through a contract with ACS. The contract will need to be terminated as it does not comply with the State Contract. The new website target date is mid-June. The new design of the website will be taken to the Consumer Advisory Committee (CAC) to get their feedback before going live. After discussion it was determined that, in addition to the use of a certified translator the Plan should also use a certified interpreter to validate the Spanish version. It was noted that only the member section of the site will be in both English and Spanish.

**10. TATUM PROJECT PLAN PRIORITIES**

Interim CEO Undlin noted that this would be further discussed in the CEO Update. In addition to the items discussed in the Update, it is also her immediate priority to continue building a permanent quality executive team. The problems must get fixed. We must be doing long term planning, participating in new programs and we need program specific staff.

**11. STATE CORRECTIVE ACTION PLAN UPDATE**

Interim CEO Undlin reported that the Plan continues working with the State on the Corrective Action Plan. The State has recognized that the Plan has been stabilizing and that Monitoring activity may be cut back. They believe there is real progress being made.

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

Other items had been previous discussed.

Interim CEO Undlin reported that CBRE, Inc. has been selected as the Real Estate Broker for the Plan's move.

Interim CEO Undlin noted that the Compliance Committee needs to ramp up. There are several agenda items that need to be addressed by the Committee.

### **COMMENTS FROM COMMITTEE MEMBERS**

Committee Member Rodriguez expressed that she was pleased with the progress being made.

Chair Gonzalez stated that the Special Committee needed to move forward on the CEO and CFO selections, two candidates for CEO have been interviewed.

Committee Member Juarez asked for confirmation that the individuals that were not selected had been notified, to which Interim CEO Undlin responded yes.

### **ADJOURNMENT**

The meeting adjourned at 5:15 p.m.

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

**June 21, 2012**

*(Not official until approved)*

**CALL TO ORDER**

Chair Gonzalez called the meeting to order at 1:30 p.m. in Suite 230 at the Ventura County Public Health Building located at 2240 E. Gonzalez Road, Oxnard, CA 93036.

**ROLL CALL**

**COMMITTEE MEMBERS PRESENT**

**Robert Gonzalez, MD**, Ventura County Health Care Agency

**Roberto S. Juarez**, Clinicas del Camino Real, Inc.

**Catherine Rodriguez**, Ventura County Medical Health System

**EXCUSED / ABSENT MEMBERS**

**David Glycer**, Private Hospitals / Healthcare System

*Vacant Seat*

**STAFF IN ATTENDANCE**

**Cassie Undlin**, Interim CEO

**Sonia DeMarta**, Interim CFO

**Nancy Kierstyn Schreiner**, Legal Counsel (left at 3:45 p.m.)

**Paula Cabral**, Administrative Assistant

**Lorraine Kor**, Administrative Assistant

**Guillermo Gonzalez**, Government Affairs Director

**Steven Lalich**, Communication Director

Chair Gonzalez acknowledged Dr. Chawla and noted that she will be joining the Committee; however, her appointment must be approved by the Commission.

**PUBLIC COMMENT**

None.

1. **APPROVAL OF MINUTES**

a. **March 20, 2012 Meeting Minutes**

Chair Gonzalez moved to approve the Minutes from the March 20, 2012 Meeting. Committee Member Juarez seconded. The motion carried. **Approved 3-0.**



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

Interim CEO Undlin stated that claims have come in higher than anticipated and may be attributed to long-term care. Staff is investigating to make sure that everything that was paid was authorized. There have been problems with interim billing and we have to be assured that the system is set up properly.

Discussion was held regarding hospital claims. Interim CEO Undlin stated that someone is being brought in to audit the hospital claims because they are not accurate. At this time hospital claims are being researched on a case by case basis. Interim CEO Undlin added that staff is also investigating the medical necessity.

Interim CFO DeMarta stated that approximately \$6 million in refunds for overpayments and duplicate billings have been received. CEO Undlin added that the problem is being fixed.

Interim CEO Undlin announced that the new website is up and encouraged the Committee Members to review the site. She added that the website was introduced to the Consumer Advisory Committee to allow them to make suggestions on making the site more useful to the public.

Interim CEO Undlin noted that Interim CFO DeMarta has been touring building sites; however the County has allocated additional space in the current building so we will probably not be moving until after the first of the year.

Interim CEO Undlin explained that all hospital contracts will be extended for 90 days until we have data to work with and probably won't see a rate increase until next year.

Interim CEO Undlin updated the Committee that an IT Assessment is being done to see why we are continuing to receive so many refunds. We have done a lot of work with ACS.

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

### **a. May Financials**

Interim CFO DeMarta reported that revenue has been consistent. Administrative charges were up due to new hires. Healthcare IBNR were increased by \$3 million upon advice from BRG and Milliman. Beginning July 1<sup>st</sup> TNE will be increased to 36% from 30%.

In response to questions from the Committee, Interim CFO DeMarta noted that the \$12,000 advertising costs were from the CEO and CFO positions.

Interim CEO Undlin reviewed long-term care and transplant costs which are top priorities due to the high costs. She explained that this will be presented to the Commission and she is considering doing in-house assessments.

Interim CFO DeMarta reviewed the Milliman reports, diagnostic validating reports and financial trending reports.

**b. Budget**

Interim CFO DeMarta suggested that David Glycer and / or Catherine Rodriguez review the budget and work with GCHP staff, Committee Members Rodriguez and Glycer agreed.

**4. AUTO ASSIGNMENT POLICY UPDATE**

Interim CEO Undlin reviewed the items provided in the packet and the information was thoroughly discussed.

Committee Member Juarez reviewed the 3:1 Auto Assignment Policy that was supposed to have taken place on July 1, 2011, but did not.

Interim CEO Undlin stated that it was very different than what should have been done and proposed that either sending zero to Traditional or keeping it the way it is - but a policy needs to be established so that the Plan in compliance with the State.

Chair Gonzalez stated that it will be determined how Auto Assignments were done and how there should have been done. Chair Gonzalez added there will be a full discussion at the Commission Meeting regarding this matter.

**5. CONTRACT REVIEW**

Interim CEO Undlin reviewed the Tatum and BRG contracts. The Tatum contract needs to be extended by \$20,000-\$30,000 for 10-15 days (one month extension).

Committee Member Juarez requested that a "Not to Exceed" clause be added to the contract and requested to review the contract again. Chair Gonzalez stated that the original contract for Tatum was \$310,000 and another \$30,000 can be added. Tatum will submit a progress report to the Committee for review.

BRG has estimated an additional \$100,000-\$140,000 because the State wants them to continue working with the Plan due to claim volume concerns.

**6. BOARD COMMITTEES, PLANNING**

This item was not discussed.

## **OTHER**

Chair Gonzalez suggested to the Committee that the meetings take place once per month and return to 3:00 p.m. and look into the possibility of moving to another day of the week. The July 5<sup>th</sup> meeting will be cancelled.

## **ADJOURNMENT**

The meeting adjourned at 5:15 p.m.

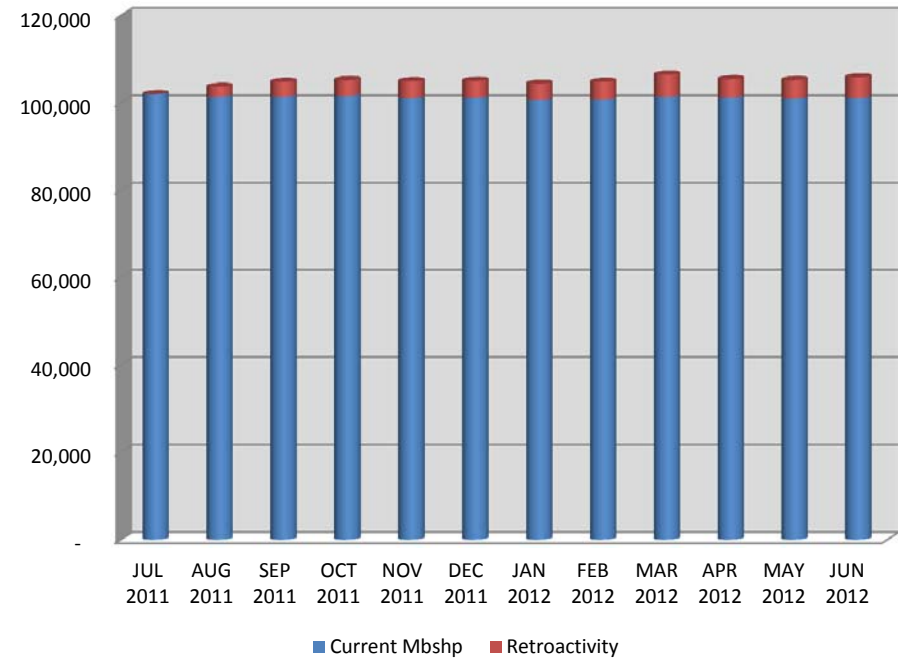
**GOLD COAST HEALTH PLAN**  
**SUMMARY FINANCIAL RESULTS**  
**Twelve Months & Year-to-Date**

	Ventura County Medi-Cal Monthly Results												YTD
	JUL 11	AUG 11	SEP 11	OCT 11	NOV 11	DEC 11	JAN 12	FEB 12	MAR 12	APR 12	MAY 12	JUN 12	
Member Months	102,033	103,689	104,821	105,245	104,979	105,079	104,418	104,839	106,503	105,446	105,262	105,875	1,258,189
<b>Revenue</b> <i>pmpm</i>	<b>24,678,298</b> 241.87	<b>25,035,423</b> 241.45	<b>23,740,361</b> 226.48	<b>25,199,998</b> 239.44	<b>24,946,694</b> 237.64	<b>25,440,875</b> 242.11	<b>24,990,447</b> 239.33	<b>24,231,927</b> 231.13	<b>25,411,162</b> 238.60	<b>25,427,262</b> 241.14	<b>25,299,965</b> 240.35	<b>25,447,390</b> 240.35	<b>299,849,801</b> 238.32
<b>Health Care Costs</b> <i>pmpm</i> % of Revenue	<b>20,722,297</b> 203.09 84.0%	<b>21,245,838</b> 204.90 84.9%	<b>21,839,899</b> 208.35 92.0%	<b>22,065,987</b> 209.66 87.6%	<b>22,003,480</b> 209.60 88.2%	<b>22,415,249</b> 213.32 88.1%	<b>22,121,202</b> 211.85 88.5%	<b>26,111,143</b> 249.06 107.8% (1)	<b>23,045,202</b> 216.38 90.7%	<b>22,918,149</b> 217.34 90.1%	<b>24,107,688</b> 229.03 95.3% (2)	<b>21,231,958</b> 200.54 83.4%	<b>269,828,093</b> 214.46 90.0%
<b>Admin Exp</b> <i>pmpm</i> % of Revenue	<b>1,341,729</b> 13.15 5.4%	<b>1,354,008</b> 13.06 5.4%	<b>1,413,721</b> 13.49 6.0%	<b>1,672,837</b> 15.89 6.6%	<b>1,084,862</b> 10.33 4.3%	<b>1,440,127</b> 13.71 5.7%	<b>1,529,225</b> 14.65 6.1%	<b>1,516,129</b> 14.46 6.3%	<b>1,615,365</b> 15.17 6.4%	<b>1,829,630</b> 17.35 7.2%	<b>1,883,097</b> 17.89 7.4%	<b>1,717,486</b> 16.22 6.7%	<b>18,398,217</b> 14.62 6.1%
<b>Net Income</b> <i>pmpm</i> % of Revenue	<b>2,614,273</b> 25.62 10.6%	<b>2,435,577</b> 23.49 9.7%	<b>486,741</b> 4.64 2.1%	<b>1,461,174</b> 13.88 5.8%	<b>1,858,351</b> 17.70 7.4%	<b>1,585,499</b> 15.09 6.2%	<b>1,340,019</b> 12.83 5.4%	<b>(3,395,346)</b> (32.39) -14.0%	<b>750,595</b> 7.05 3.0%	<b>679,482</b> 6.44 2.7%	<b>(690,820)</b> (6.56) -2.7%	<b>2,497,946</b> 23.59 9.8%	<b>11,623,491</b> 9.24 3.9%
100% TNE Required TNE <b>GCHP TNE</b>	14,242,618 - <b>(1,808,546)</b>	14,455,522 - <b>627,031</b>	14,671,236 - <b>1,113,773</b>	14,837,677 - <b>2,574,946</b>	14,925,890 - <b>4,433,298</b>	15,048,230 - <b>6,018,797</b>	15,101,073 3,020,215 <b>7,358,815</b>	15,615,661 3,123,132 <b>3,963,469</b>	15,685,187 3,137,037 <b>4,714,065</b>	15,730,358 3,146,072 <b>5,393,547</b>	15,793,552 3,158,710 <b>4,702,727</b>	15,685,664 3,137,133 <b>7,200,672</b>	

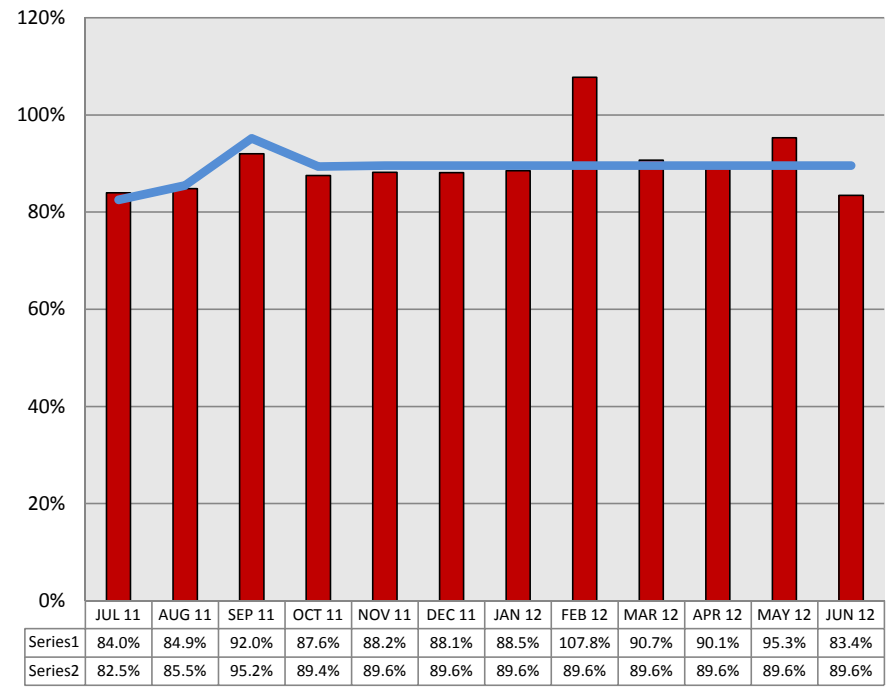
Note (1): February Health Care Costs include \$4M added to reserves pursuant to updated Milliman IBNR methodology.

Note (2): May Health Care Costs include \$3M added to reserves.

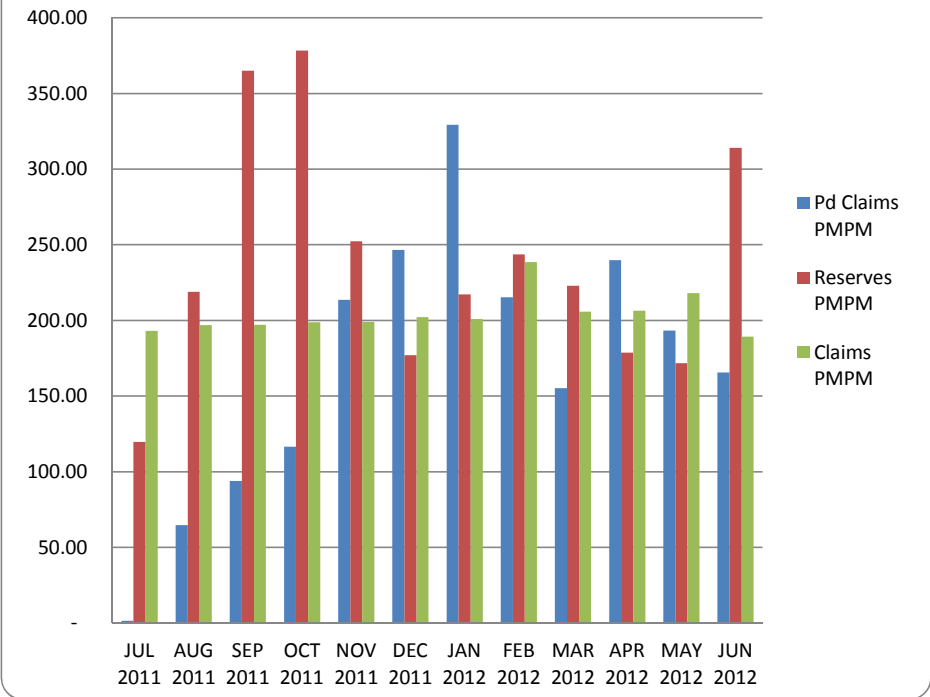
### Membership



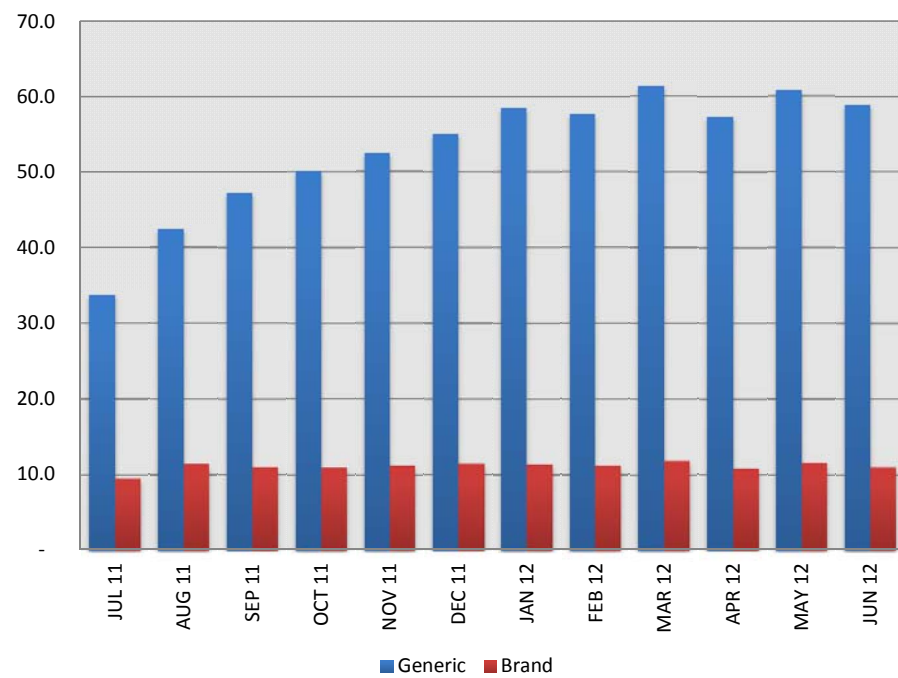
### Health Care Cost (MLR)



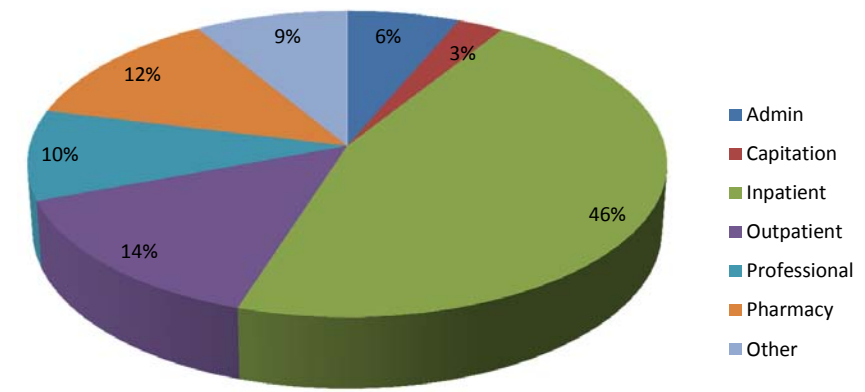
### Claims - Reserves



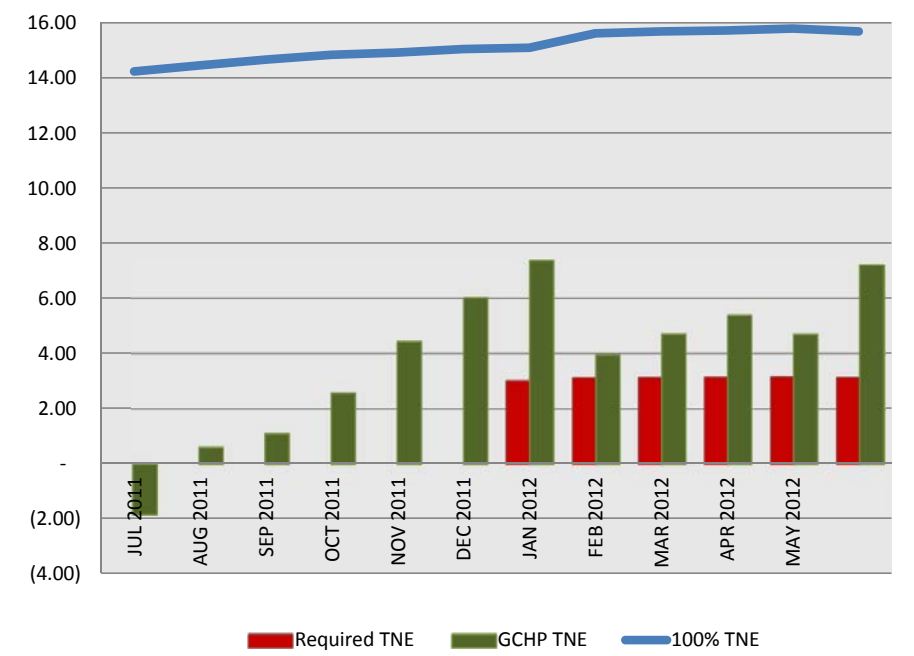
### Pharmacy Encounters (Count in 000s)



### Expenditures June YTD



### TNE (millions)



**Gold Coast Health Plan**  
**Comparative Balance Sheet**  
**June 30, 2012**

	6/30/12	5/31/12	6/30/11
<b>ASSETS</b>			
<b>Current Assets</b>			
Petty Cash	1,000	1,000	-
Cash - Restricted	3,501,382	3,500,090	-
Cash -Operating Account	(2,642,542)	12,703,235	660,697
Cash - Payroll Checking Account	-	-	-
Cash - Claims Payment	(7,582,214)	(6,489,163)	-
Cash - Capitation Payment	-	-	-
Cash - Pharmacy Payment	-	-	-
Money Market Account	30,462,877	43,448,666	-
<b>Total Cash and Cash Equivalents</b>	<b>23,740,502</b>	<b>53,163,827</b>	<b>660,697</b>
Medi-Cal Receivable	28,534,938	1,952,228	-
Provider Receivable	6,233,287	2,085,491	-
Other Receivables	1,367,855	37,960	9,155
<b>Total Accounts Receivable</b>	<b>36,136,079</b>	<b>4,075,679</b>	<b>9,155</b>
Total Prepaid Accounts	328,903	189,202	40,127
Total Other Current Assets	757,500	757,500	-
<b>Total Current Assets</b>	<b>60,962,985</b>	<b>58,186,208</b>	<b>709,979</b>
<b>Total Fixed Assets</b>	<b>94,298</b>	<b>95,759</b>	<b>87,638</b>
<b>Total Assets</b>	<b>61,057,283</b>	<b>58,281,967</b>	<b>797,617</b>
<b>LIABILITIES &amp; FUND BALANCE</b>			
<b>Current Liabilities</b>			
Incurred But Not Reported	33,251,105	18,070,222	-
Claims Payable	9,284,705	21,955,415	-
Capitation Payable	633,276	634,809	-
Accrued Premium Reduction	6,700,285	6,134,632	-
Accounts Payable	251,541	380,830	47,377
Accrued Expenses	-	-	201,553
Accrued ACS	317,987	1,585,903	1,329,863
Accrued RGS	433,144	496,574	1,301,643
Accrued Premium Tax	602,900	1,859,189	-
Current Portion of Deferred Revenue	460,000	460,000	-
Current Portion Of Long Term Debt	500,000	500,000	500,000
<b>Total Current Liabilities</b>	<b>52,434,944</b>	<b>52,077,573</b>	<b>3,380,436</b>
<b>Long-Term Liabilities</b>			
Other Long-term Liability	41,667	83,333	-
Deferred Revenue - Long Term Portion	1,380,000	1,418,333	1,840,000
<b>Total Long-Term Liabilities</b>	<b>1,421,667</b>	<b>1,501,667</b>	<b>1,840,000</b>
<b>Total Liabilities</b>	<b>53,856,611</b>	<b>53,579,240</b>	<b>5,220,436</b>
Beginning Fund Balance	(4,422,819)	(4,422,819)	-
Net Income Current Year	11,623,491	9,125,546	(4,422,819)
<b>Total Fund Balance</b>	<b>7,200,672</b>	<b>4,702,727</b>	<b>(4,422,819)</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b>61,057,283</b>	<b>58,281,967</b>	<b>797,617</b>

**Gold Coast Health Plan  
Income Statement  
Period Ended June 30, 2012**

	<u>MAR 2012</u>	<u>APR 2012</u>	<u>MAY 2012</u>	<u>JUN 2012</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	101,439	101,272	101,041	101,207	101,822	(615)
<b>Revenues</b>						
Premium	26,551,649	26,558,134	26,432,002	26,583,453	24,768,686	1,814,767
Reserve for Retro-Active Rate Reduction	(561,704)	(563,998)	(564,990)	(565,653)	-	(565,653)
Interest Income	13,833	18,908	15,771	15,968	14,861	1,107
Miscellaneous Income	38,333	38,333	38,333	38,333	38,333	0
<b>Total Revenues</b>	<b>26,042,112</b>	<b>26,051,378</b>	<b>25,921,117</b>	<b>26,072,101</b>	<b>24,821,880</b>	<b>1,250,221</b>
MCO Tax	630,949	624,116	621,152	624,711	569,680	(55,031)
<b>Net Revenue</b>	<b>25,411,162</b>	<b>25,427,262</b>	<b>25,299,965</b>	<b>25,447,390</b>	<b>24,252,200</b>	<b>1,195,190</b>
<b>Cost of Health Care</b>						
<u>Capitation</u>	631,179	631,706	634,809	633,276	736,333	103,057
<u>Claims</u>						
Inpatient FFS Expense	4,461,281	4,414,111	5,050,059	4,401,511	3,719,573	(681,938)
LTC/SNF Expense	6,530,526	6,540,243	7,675,933	6,589,806	6,854,685	264,879
Outpatient FFS Expense	2,687,937	2,659,531	3,049,193	2,653,601	2,182,054	(471,547)
Laboratory and Radiology Expense	227,068	224,241	255,670	223,448	233,173	9,725
Emergency Room Facility Services FFS	522,102	516,532	595,058	515,922	406,271	(109,651)
Physician Specialty Services FFS	2,038,710	2,014,947	2,300,063	2,008,329	1,951,936	(56,393)
Professional FFS Expense	-	-	-	-	-	-
Other Medical Professional	285,034	281,320	312,135	280,793	203,645	(77,148)
Pharmacy	3,257,618	3,244,925	3,292,480	3,330,093	3,563,785	233,691
Reinsurance	91,244	92,309	92,158	91,947	92,658	711
Claims Recoveries	-	-	(1,719,551)	(1,831,008)	-	1,831,008
Other Medical Care Expenses	916	-	-	504	-	(504)
Other Fee For Service Expense	1,510,761	1,496,864	1,706,929	1,491,916	1,486,607	(5,309)
Transportation FFS	293,805	290,339	333,734	289,484	297,321	7,837
Medical & Care Management	507,022	511,080	529,018	552,337	560,312	7,975
<u>Total Claims</u>	<u>22,414,023</u>	<u>22,286,444</u>	<u>23,472,879</u>	<u>20,598,682</u>	<u>21,552,020</u>	<u>953,338</u>
<b>Total Cost of Health Care</b>	<b>23,045,202</b>	<b>22,918,149</b>	<b>24,107,688</b>	<b>21,231,958</b>	<b>22,288,353</b>	<b>1,056,395</b>
<b>Administrative Expenses</b>						
Salaries and Wages	207,163	239,560	301,593	274,883	356,259	81,376
Payroll Taxes and Benefits	110,151	83,567	88,190	82,050	123,052	41,002
Total Travel and Training	4,932	2,856	2,005	(1,218)	5,435	6,653
Outside Service - ACS	1,084,489	940,274	956,991	955,833	940,676	(15,157)
Outside Service - CQS	-	625	-	-	-	-
Outside Service - RGS	9,314	9,056	9,732	9,750	13,033	3,283
Outside Services - Other	73,973	266,888	289,582	12,676	29,887	17,211
Accounting & Actuarial Services	0	52,750	28,495	-	5,000	5,000
Legal Expense	418	33,002	2,350	17,125	3,000	(14,125)
Insurance	2,959	2,959	2,959	2,958	2,959	1
Lease Expense -Office	13,469	10,269	11,869	11,869	26,080	14,211
Consulting Services Expense	56,675	44,007	69,350	241,646	4,100	(237,546)
Translation Services	1,106	550	1,051	2,736	1,397	(1,339)
Advertising and Promotion Expense	1,484	8,384	9,466	-	1,496	1,496
General Office Expenses	28,463	112,799	61,719	49,334	86,089	36,755
Depreciation & Amortization Expense	1,461	1,461	1,461	1,461	1,461	0
Printing Expense	1,353	1,995	2,977	699	37,500	36,801
Shipping & Postage Expense	412	1,868	2,467	2,443	21,350	18,907
Interest Exp	17,543	16,761	40,841	53,241	-	(53,241)
<b>Total Administrative Expenses</b>	<b>1,615,365</b>	<b>1,829,630</b>	<b>1,883,097</b>	<b>1,717,486</b>	<b>1,658,774</b>	<b>(58,712)</b>
<b>Net Income / (Loss)</b>	<b>750,595</b>	<b>679,482</b>	<b>(690,820)</b>	<b>2,497,946</b>	<b>305,073</b>	<b>2,192,872</b>

**Gold Coast Health Plan  
Income Statement PMPM  
Period Ended June 30, 2012**

	<u>MAR 2012</u>	<u>APR 2012</u>	<u>MAY 2012</u>	<u>JUN 2012</u>	<u>Budget</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	101,439	101,272	101,041	101,207	101,822	(615)
<b>Revenues</b>						
Premium	261.75	262.41	261.17	262.66	243.25	19.41
Reserve for Retro-Active Rate Reduction	(5.54)	(5.57)	(5.58)	(5.59)	-	(5.59)
Interest Income	0.14	0.19	0.16	0.16	0.15	0.01
Miscellaneous Income	0.38	0.38	0.38	0.38	0.38	0.00
<b>Total Revenues</b>	<b>256.73</b>	<b>257.41</b>	<b>256.12</b>	<b>257.61</b>	<b>243.78</b>	<b>13.83</b>
MCO Tax	6.22	6.16	6.14	6.17	5.59	(0.58)
<b>Net Revenue</b>	<b>250.51</b>	<b>251.24</b>	<b>249.98</b>	<b>251.44</b>	<b>238.18</b>	<b>13.26</b>
<b>Cost of Health Care</b>						
<u>Capitation</u>	6.22	6.24	6.27	6.26	7.23	0.97
<u>Claims</u>						
Inpatient FFS Expense	43.98	43.61	49.90	43.49	36.53	(6.96)
LTC/SNF Expense	64.38	64.62	75.84	65.11	67.32	2.21
Outpatient FFS Expense	26.50	26.28	30.13	26.22	21.43	(4.79)
Laboratory and Radiology Expense	2.24	2.22	2.53	2.21	2.29	0.08
Emergency Room Facility Services FFS	5.15	5.10	5.88	5.10	3.99	(1.11)
Physician Specialty Services FFS	20.10	19.91	22.73	19.84	19.17	(0.67)
Professional FFS Expense	-	-	-	-	-	-
Other Medical Professional	2.81	2.78	3.08	2.77	2.00	(0.77)
Pharmacy	32.11	32.06	32.53	32.90	35.00	2.10
Reinsurance	0.90	0.91	0.91	0.91	0.91	0.00
Claims Recoveries	-	-	(16.99)	(18.09)	-	18.09
Other Medical Care Expenses	0.01	-	-	0.00	-	(0.00)
Other Fee For Service Expense	14.89	14.79	16.87	14.74	14.60	(0.14)
Transportation FFS	2.90	2.87	3.30	2.86	2.92	0.06
Medical & Care Management	5.00	5.05	5.23	5.46	5.50	0.05
<u>Total Claims</u>	<u>220.96</u>	<u>220.21</u>	<u>231.93</u>	<u>203.53</u>	<u>211.66</u>	<u>8.13</u>
<b>Total Cost of Health Care</b>	<b>227.18</b>	<b>226.45</b>	<b>238.20</b>	<b>209.79</b>	<b>218.90</b>	<b>9.11</b>
<b>Administrative Expenses</b>						
Salaries and Wages	2.04	2.37	2.98	2.72	3.50	0.78
Payroll Taxes and Benefits	1.09	0.83	0.87	0.81	1.21	0.40
Total Travel and Training	0.05	0.03	0.02	(0.01)	0.05	0.07
Outside Service - ACS	10.69	9.29	9.46	9.44	9.24	(0.21)
Outside Service - CQS	-	0.01	-	-	-	-
Outside Service - RGS	0.09	0.09	0.10	0.10	0.13	0.03
Outside Services - Other	0.73	2.64	2.86	0.13	0.29	0.17
Accounting & Actuarial Services	-	0.52	0.28	-	0.05	0.05
Legal Expense	0.00	0.33	0.02	0.17	0.03	(0.14)
Insurance	0.03	0.03	0.03	0.03	0.03	(0.00)
Lease Expense -Office	0.13	0.10	0.12	0.12	0.26	0.14
Consulting Services Expense	0.56	0.43	0.69	2.39	0.04	(2.35)
Translation Services	0.01	0.01	0.01	0.03	0.01	(0.01)
Advertising and Promotion Expense	0.01	0.08	0.09	-	0.01	0.01
General Office Expenses	0.28	1.11	0.61	0.49	0.85	0.36
Depreciation & Amortization Expense	0.01	0.01	0.01	0.01	0.01	(0.00)
Printing Expense	0.01	0.02	0.03	0.01	0.37	0.36
Shipping & Postage Expense	0.00	0.02	0.02	0.02	0.21	0.19
Interest Exp	0.17	0.17	0.40	0.53	-	(0.53)
<b>Total Administrative Expenses</b>	<b>15.92</b>	<b>18.08</b>	<b>18.61</b>	<b>16.97</b>	<b>16.29</b>	<b>(0.68)</b>
<b>Net Income / (Loss)</b>	<b>7.40</b>	<b>6.71</b>	<b>(6.83)</b>	<b>24.68</b>	<b>3.00</b>	<b>21.69</b>



**Gold Coast Health Plan  
Income Statement  
Period Ended June 30, 2012**

	<u>YTD</u>	<u>% of Rev</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	1,215,389		1,220,476	(5,087)
<b>Revenues</b>				
Premium	313,283,186	101.98%	297,646,272	15,636,913
Reserve for Retro-Active Rate Reduction	(6,700,285)	-2.18%	(1,658,225)	(5,042,060)
Interest Income	169,056	0.06%	150,684	18,372
Miscellaneous Income	460,000	0.15%	459,996	4
<b>Total Revenues</b>	<b>307,211,956</b>	<b>100.00%</b>	<b>296,598,728</b>	<b>10,613,228</b>
MCO Tax	7,362,155	2.40%	6,844,898	517,257
<b>Net Revenue</b>	<b>299,849,801</b>	<b>97.60%</b>	<b>289,753,830</b>	<b>10,095,971</b>
<b>Cost of Health Care</b>				
<u>Capitation</u>	7,534,863	2.45%	8,456,054	921,192
<u>Claims</u>				
Inpatient FFS Expense	53,636,827	17.46%	44,748,790	(8,888,037)
LTC/SNF Expense	78,808,027	25.65%	82,474,467	3,666,440
Outpatient FFS Expense	32,364,850	10.54%	26,910,221	(5,454,629)
Laboratory and Radiology Expense	2,729,485	0.89%	2,709,570	(19,915)
Emergency Room Facility Services FFS	6,298,308	2.05%	5,264,164	(1,034,144)
Physician Specialty Services FFS	24,507,885	7.98%	23,511,993	(995,892)
Professional FFS Expense	121	0.00%	-	(121)
Other Medical Professional	2,884,347	0.94%	2,443,043	(441,304)
Pharmacy	36,022,296	11.73%	39,767,317	3,745,021
Reinsurance	1,108,585	0.36%	1,110,633	2,048
Claims Recoveries	(3,550,560)	-1.16%	-	3,550,560
Other Medical Care Expenses	1,420	0.00%	-	(1,420)
Other Fee For Service Expense	18,168,079	5.91%	16,811,525	(1,356,554)
Transportation FFS	3,543,956	1.15%	3,435,124	(108,832)
Medical & Care Management	5,769,605	1.88%	6,104,562	334,957
<u>Total Claims</u>	<u>262,293,230</u>	<u>85.38%</u>	<u>255,291,409</u>	<u>(7,001,821)</u>
<b>Total Cost of Health Care</b>	<b>269,828,093</b>	<b>87.83%</b>	<b>263,747,463</b>	<b>(6,080,629)</b>
<b>Administrative Expenses</b>				
Salaries and Wages	2,948,270	0.96%	3,069,331	121,061
Payroll Taxes and Benefits	1,036,335	0.34%	1,060,163	23,828
Total Travel and Training	41,043	0.01%	93,424	52,381
Outside Service - ACS	11,518,211	3.75%	10,314,180	(1,204,031)
Outside Service - CQS	625	0.00%	(169,660)	(170,285)
Outside Service - RGS	112,646	0.04%	119,811	7,165
Outside Services - Other	737,442	0.24%	191,316	(546,126)
Accounting & Actuarial Services	110,498	0.04%	133,445	22,947
Legal Expense	85,236	0.03%	41,667	(43,569)
Insurance	37,965	0.01%	35,011	(2,954)
Lease Expense -Office	150,674	0.05%	208,640	57,966
Consulting Services Expense	425,867	0.14%	46,330	(379,537)
Translation Services	10,522	0.00%	12,651	2,129
Advertising and Promotion Expense	188,729	0.06%	233,228	44,499
General Office Expenses	525,518	0.17%	524,184	(1,334)
Depreciation & Amortization Expense	17,873	0.01%	16,071	(1,802)
Printing Expense	25,742	0.01%	226,964	201,222
Shipping & Postage Expense	21,672	0.01%	89,224	67,552
Interest Exp	403,350	0.13%	5,175	(398,175)
<b>Total Administrative Expenses</b>	<b>18,398,217</b>	<b>5.99%</b>	<b>16,251,155</b>	<b>(2,147,062)</b>
<b>Net Income / (Loss)</b>	<b>11,623,491</b>	<b>3.78%</b>	<b>9,755,212</b>	<b>1,868,279</b>

**Gold Coast Health Plan  
Income Statement  
Period Ended June 30, 2012**

	<u>YTD</u>	<u>Budget</u>	<u>Variance</u> <u>Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	1,215,389	1,220,476	(5,087)
<b>Revenues</b>			
Premium	257.76	243.88	13.89
Reserve for Retro-Active Rate Reduction	(5.51)	(1.36)	(4.15)
Interest Income	0.14	0.12	0.02
Miscellaneous Income	0.38	0.38	0.00
<b>Total Revenues</b>	<b>252.77</b>	<b>243.02</b>	<b>9.75</b>
MCO Tax	6.06	5.61	0.45
<b>Net Revenue</b>	<b>246.71</b>	<b>237.41</b>	<b>9.30</b>
<b>Cost of Health Care</b>			
<u>Capitation</u>	6.20	6.93	0.73
<u>Claims</u>			
Inpatient FFS Expense	44.13	36.67	(7.47)
LTC/SNF Expense	64.84	67.58	2.73
Outpatient FFS Expense	26.63	22.05	(4.58)
Laboratory and Radiology Expense	2.25	2.22	(0.03)
Emergency Room Facility Services FFS	5.18	4.31	(0.87)
Physician Specialty Services FFS	20.16	19.26	(0.90)
Professional FFS Expense	0.00	-	(0.00)
Other Medical Professional	2.37	2.00	(0.37)
Pharmacy	29.64	32.58	2.94
Reinsurance	0.91	0.91	(0.00)
Claims Recoveries	(2.92)	-	2.92
Other Medical Care Expenses	0.00	-	(0.00)
Other Fee For Service Expense	14.95	13.77	(1.17)
Transportation FFS	2.92	2.81	(0.10)
Medical & Care Management	4.75	5.00	0.25
<u>Total Claims</u>	215.81	209.17	(6.64)
<b>Total Cost of Health Care</b>	<b>222.01</b>	<b>216.10</b>	<b>(5.91)</b>
<b>Administrative Expenses</b>			
Salaries and Wages	2.43	2.51	0.09
Payroll Taxes and Benefits	0.85	0.87	0.02
Total Travel and Training	0.03	0.08	0.04
Outside Service - ACS	9.48	8.45	(1.03)
Outside Service - CQS	0.00	(0.14)	(0.14)
Outside Service - RGS	0.09	0.10	0.01
Outside Services - Other	0.61	0.16	(0.45)
Accounting & Actuarial Services	0.09	0.11	0.02
Legal Expense	0.07	0.03	(0.04)
Insurance	0.03	0.03	(0.00)
Lease Expense -Office	0.12	0.17	0.05
Consulting Services Expense	0.35	0.04	(0.31)
Translation Services	0.01	0.01	0.00
Advertising and Promotion Expense	0.16	0.19	0.04
General Office Expenses	0.43	0.43	(0.00)
Depreciation & Amortization Expense	0.01	0.01	(0.00)
Printing Expense	0.02	0.19	0.16
Shipping & Postage Expense	0.02	0.07	0.06
Interest Exp	0.33	0.00	(0.33)
<b>Total Administrative Expenses</b>	<b>15.14</b>	<b>13.32</b>	<b>(1.82)</b>
<b>Net Income / (Loss)</b>	<b>9.56</b>	<b>7.99</b>	<b>1.57</b>

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

	<u>MAY 2012</u>	<u>JUN 2012</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)	<u>Variance Explanation</u>
<b>Members (Member/Months)</b>	<u>101,041</u>	<u>101,207</u>	<u>166</u>		
<b>Revenues</b>					
Premium	26,432,002	26,583,453	151,452	0.57%	
Reserve for Retro-Active Rate Reduction	(564,990)	(565,653)	(664)	-0.12%	
Interest Income	15,771	15,968	197	1.25%	
Miscellaneous Income	38,333	38,333	-	0.00%	
<b>Total Revenues</b>	<u>25,921,117</u>	<u>26,072,101</u>	<u>150,985</u>	<u>0.58%</u>	
MCO Tax	621,152	624,711	(3,559)	-0.57%	
<b>Net Revenue</b>	<u>25,299,965</u>	<u>25,447,390</u>	<u>147,426</u>	<u>0.58%</u>	
<b>Cost of Health Care</b>					
<u>Capitation</u>	634,809	633,276	1,533	0.24%	
<u>Claims</u>					
Inpatient FFS Expense	5,050,059	4,401,511	648,548	12.84%	May HCC higher due to \$3M add'l IBNR
LTC/SNF Expense	7,675,933	6,589,806	1,086,127	14.15%	
Outpatient FFS Expense	3,049,193	2,653,601	395,592	12.97%	
Laboratory and Radiology Expense	255,670	223,448	32,222	12.60%	
Emergency Room Facility Services FFS	595,058	515,922	79,136	13.30%	
Physician Specialty Services FFS	2,300,063	2,008,329	291,734	12.68%	
Professional FFS Expense	-	-	-	-100.00%	
Other Medical Professional	312,135	280,793	31,342	10.04%	
Pharmacy	3,292,480	3,330,093	(37,613)	-1.14%	
Reinsurance	92,158	91,947	210	0.23%	
Claims Recoveries	(1,719,551)	(1,831,008)	111,457	-6.48%	Add'l Refund Requests + Reinsurance Rec
Other Medical Care Expenses	-	504	(504)	-100.00%	
Other Fee For Service Expense	1,706,929	1,491,916	215,013	12.60%	
Transportation FFS	333,734	289,484	44,250	13.26%	
Medical & Care Management	529,018	552,337	(23,318)	-4.41%	
<u>Total Claims</u>	<u>23,472,879</u>	<u>20,598,682</u>	<u>2,874,196</u>	<u>12.24%</u>	
<b>Total Cost of Health Care</b>	<u>24,107,687</u>	<u>21,231,958</u>	<u>2,875,729</u>	<u>11.93%</u>	

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

	<u>MAY 2012</u>	<u>JUN 2012</u>	<u>Variance Fav/(Unfav)</u>	<u>% Variance Fav/(Unfav)</u>	<u>Variance Explanation</u>
<b>Administrative Expenses</b>					
Salaries and Wages	301,593	274,883	26,710	8.86%	
Payroll Taxes and Benefits	88,190	82,050	6,140	6.96%	
Total Travel and Training	2,005	(1,218)	3,223	160.73%	
Outside Service - ACS	956,991	955,833	1,158	0.12%	
Outside Service - RGS	9,732	9,750	(18)	-0.18%	
Outside Services - Other	289,582	12,676	276,905	95.62%	
Accounting & Actuarial Services	28,495	-	28,495	100.00%	
Legal Expense	2,350	17,125	(14,775)	-628.72%	
Insurance	2,959	2,958	0	0.01%	
Lease Expense -Office	11,869	11,869	-	0.00%	
Consulting Services Expense	69,350	241,646	(172,296)	-248.45%	
Translation Services	1,051	2,736	(1,685)	-160.31%	
Advertising and Promotion Expense	9,466	-	9,466	100.00%	
General Office Expenses	61,719	49,334	12,385	20.07%	
Depreciation & Amortization Expense	1,461	1,461	-	0.00%	
Printing Expense	2,977	699	2,278	76.53%	
Shipping & Postage Expense	2,467	2,443	24	0.96%	
Interest Exp	40,841	53,241	(12,400)	-30.36%	
<b>Total Administrative Expenses</b>	<b>1,883,097</b>	<b>1,717,486</b>	<b>165,611</b>	<b>8.79%</b>	
<b>Net Income / (Loss)</b>	<b>(690,820)</b>	<b>2,497,946</b>	<b>3,188,766</b>	<b>461.59%</b>	

**Gold Coast Health Plan  
General Office Expense  
Period Ended June 30, 2012**

	<u>MAY 2012</u>	<u>JUN 2012</u>
Committee/Advisory	-	1,150
Non-Capital - Furniture & Equip.	30,212	10,212
Non-Capital Equipment - Computer	12,227	5,872
Software Licenses	4,219	7,562
Repairs & Maintenance	609	4,613
Telephone Services/ Internet Charges	6,037	4,854
Lease Expense -Equipment	(4,047)	-
Office & Operating Supplies	3,641	3,226
Bank Service Fees Expense	192	192
EE Recruitment	2,519	5,092
Prof Dues, Fees and Licenses	6,111	6,163
<b>General Office Expenses</b>	<b>61,719</b>	<b>49,334</b>

**Gold Coast Health Plan  
Statement of Cash Flows  
Month Ended June 30, 2012**

Cash Flow From Operating Activities	
Collected Premium	-
Miscellaneous Income	15,968
<u>Paid Claims</u>	
Medical & Hospital Expenses	(19,586,585)
Pharmacy	(3,650,911)
Capitation	(634,809)
Reinsurance of Claims	(91,947)
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(3,594,042)
Repay Initial Net Liabilities	-
MCO Taxes Expense	(1,881,000)
Net Cash Provided/(Used) by Operating Activities	<b>(29,423,325)</b>
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/(Used) by Investing/Financing	-
<b>Net Cash Flow</b>	<b>(29,423,325)</b>
Cash and Cash Equivalents (Beg. of Period)	53,163,827
Cash and Cash Equivalents (End of Period)	23,740,502
	<b>(29,423,325)</b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income/(Loss)	2,497,946
Depreciation & Amortization	1,461
Decrease/(Increase) in Receivables	(32,060,400)
Decrease/(Increase) in Prepaids & Other Current Assets	(139,701)
(Decrease)/Increase in Payables	(1,460,634)
(Decrease)/Increase in LT Liabilities	(80,000)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	(1,256,289)
Changes in Claims and Capitation Payable	(12,106,589)
Changes in IBNR	15,180,883
	<b>(29,423,325)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>(29,423,325)</b>

**Gold Coast Health Plan  
Statement of Cash Flows  
Twelve Months Ended June 30, 2012**

Cash Flow From Operating Activities	
Collected Premium	284,748,248
Miscellaneous Income	190,295
<u>Paid Claims</u>	
Medical & Hospital Expenses	(188,598,629)
Pharmacy	(34,350,372)
Capitation	(7,531,219)
Reinsurance of Claims	(1,016,454)
Reinsurance Recoveries	
Payment of Withhold / Risk Sharing Incentive	
Paid Administration	(23,578,278)
Repay Initial Net Liabilities	
MCO Taxes Expense	(6,759,254)
Net Cash Provided by Operating Activities	<b>23,104,338</b>
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	(24,533)
Net Cash Provided/(Used) by Investing/Financing	<b>(24,533)</b>
<b>Net Cash Flow</b>	<b>23,079,805</b>
Cash and Cash Equivalents (Beg. of Period)	660,697
Cash and Cash Equivalents (End of Period)	23,740,502
	<b>23,079,805</b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net (Loss) Income	11,623,491
Depreciation & Amortization	17,873
Decrease/(Increase) in Receivables	(36,126,925)
Decrease/(Increase) in Prepays & Other Current Assets	(1,046,276)
(Decrease)/Increase in Payables	(917,764)
(Decrease)/Increase in LT Liabilities	(918,333)
Purchase of fixed Assets	
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	602,900
Changes in Claims and Capitation Payable	16,618,267
Changes in IBNR	33,251,105
	<b>23,104,338</b>
<b>Net Cash Flow from Operating Activities</b>	<b>23,104,338</b>

## Brand vs. Generic Prescription Drugs Comparison

YEAR-TO-DATE THRU JUNE 30, 2012

**Summary Key Points**

- Membership enrollment is slightly below 2012 Budget and remains steady.
- Utilization is 22.0% of total enrollment.
- **Cost Per Claim Summary:**
  - Total number of claims paid per member is 0.12 favorable to budget (0.63 Actual vs. 0.76 Budget).
  - The average cost per claim thru June 30, 2012 YTD is \$164.95 (Brand) vs. \$21.99 (Generic). Generic tends to remain flat but Brand tends to fluctuate in relation to fluctuations in number of claims paid and utilization.
  - Plan combined (Brand and Generic) expense is \$3.7M favorable in comparison to budget (\$36.1M Actual vs. \$39.8M Budget); cost per ppm is \$2.88 favorable to budget (\$29.70 vs. \$32.58).
  - The actual cost combined (Brand and Generic) per encounter amount to \$46.84 as compared to a budgeted \$43.00, resulting in (\$3.85) unfavorable variance .
  - Brand accounted for 17.4% and Generic of 82.6% of total Pharmacy orders.



**Gold Coast Health Plan**

Script Care Plan Utilization and Cost Trend

July 1, 2011- June 30, 2012

	JUL'11	AUG'11	SEP'11	OCT'11	NOV'11	DEC'11	JAN'12	FEB'12	MAR'12	APR'12	MAY'12	JUN'12	YTD	BUDGET	FAV/(UNFAV)
<b>Enrollment</b> <sup>1</sup>	102,033	101,487	101,470	101,619	101,174	101,243	100,636	100,768	101,439	101,272	101,041	101,207	1,215,389	1,220,476	(5,087)
<b>Utilization</b> <sup>2</sup>	16,567	19,366	20,731	21,710	22,389	23,000	23,775	23,926	24,981	23,349	24,216	23,089	267,099		
% (enrollment)	<b>16.2%</b>	<b>19.1%</b>	<b>20.4%</b>	<b>21.4%</b>	<b>22.1%</b>	<b>22.7%</b>	<b>23.6%</b>	<b>23.7%</b>	<b>24.6%</b>	<b>23.1%</b>	<b>24.0%</b>	<b>22.8%</b>	<b>22.0%</b>		

<b>Number Of Claims Paid</b> <sup>2</sup>															
BRAND	9,545	11,471	11,068	11,060	11,197	11,482	11,421	11,267	11,903	10,888	11,617	11,052	133,971	231,221	97,250
GENERIC	33,835	42,558	47,334	50,240	52,560	55,093	58,588	57,714	61,435	57,443	60,861	58,950	636,611	635,787	(824)
<b>Total</b>	<b>43,380</b>	<b>54,029</b>	<b>58,402</b>	<b>61,300</b>	<b>63,757</b>	<b>66,575</b>	<b>70,009</b>	<b>68,981</b>	<b>73,338</b>	<b>68,331</b>	<b>72,478</b>	<b>70,002</b>	<b>770,582</b>	<b>924,885</b>	<b>154,303</b>
<i>pmpm</i>	0.43	0.53	0.58	0.60	0.63	0.66	0.70	0.68	0.72	0.67	0.72	0.69	0.63	0.76	0.12
<b>BRAND %</b>	<b>22.0%</b>	<b>21.2%</b>	<b>19.0%</b>	<b>18.0%</b>	<b>17.6%</b>	<b>17.2%</b>	<b>16.3%</b>	<b>16.3%</b>	<b>16.2%</b>	<b>15.9%</b>	<b>16.0%</b>	<b>15.8%</b>	<b>17.4%</b>	<b>25.0%</b>	<b>7.6%</b>
<b>GENERIC %</b>	<b>78.0%</b>	<b>78.8%</b>	<b>81.0%</b>	<b>82.0%</b>	<b>82.4%</b>	<b>82.8%</b>	<b>83.7%</b>	<b>83.7%</b>	<b>83.8%</b>	<b>84.1%</b>	<b>84.0%</b>	<b>84.2%</b>	<b>82.6%</b>	<b>68.7%</b>	<b>-13.9%</b>

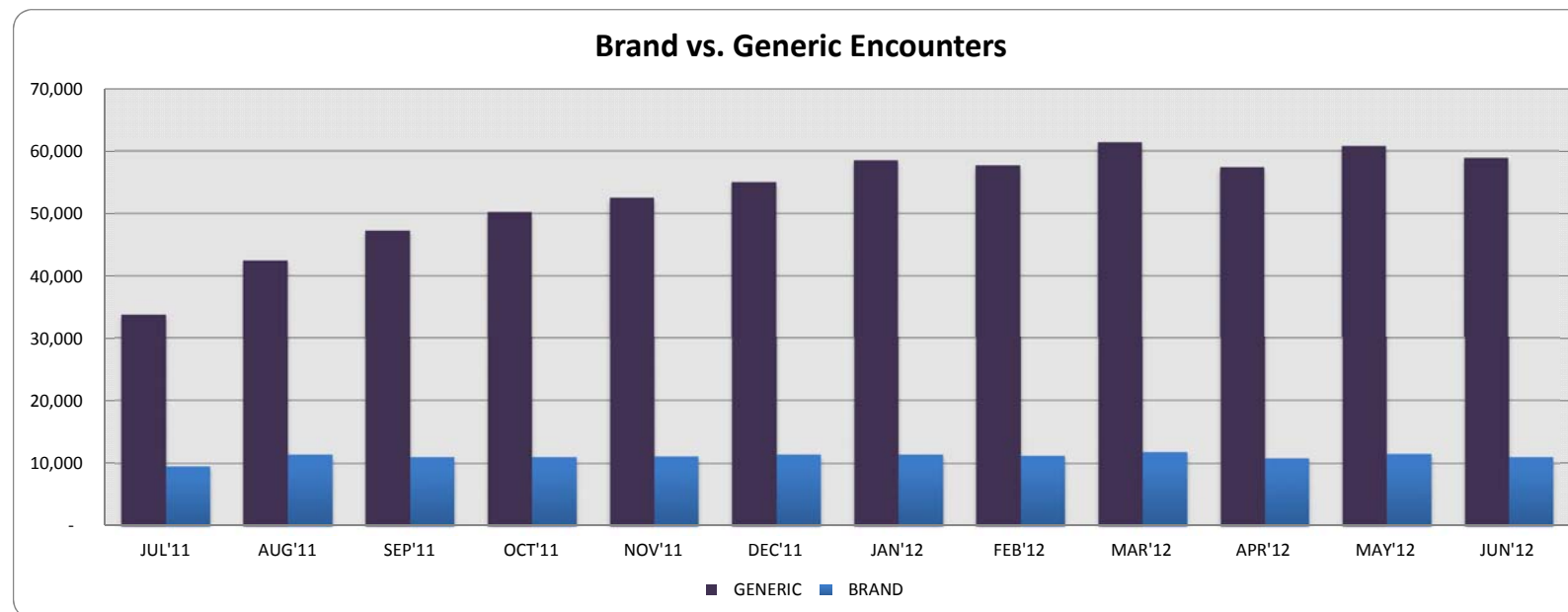
<b>Plan Cost</b> <sup>2</sup>															
BRAND	1,551,076	1,802,384	1,733,036	1,800,249	1,760,284	1,963,430	1,815,536	1,816,430	1,908,982	1,951,084	1,939,649	2,056,168	22,098,309		
GENERIC	725,182	899,611	1,014,144	1,100,743	1,153,712	1,254,143	1,304,658	1,259,202	1,348,636	1,293,842	1,370,173	1,273,925	13,997,970		
<b>Total</b>	<b>\$ 2,276,259</b>	<b>\$ 2,701,995</b>	<b>\$ 2,747,179</b>	<b>\$ 2,900,992</b>	<b>\$ 2,913,996</b>	<b>\$ 3,217,573</b>	<b>\$ 3,120,194</b>	<b>\$ 3,075,632</b>	<b>\$ 3,257,618</b>	<b>\$ 3,244,925</b>	<b>\$ 3,309,822</b>	<b>\$ 3,330,093</b>	<b>\$ 36,096,279</b>	<b>\$ 39,767,317</b>	<b>\$ 3,671,038</b>
<i>pmpm</i>	\$22.31	\$26.62	\$27.07	\$28.55	\$28.80	\$31.78	\$31.00	\$30.52	\$32.11	\$32.04	\$32.76	\$32.90	\$29.70	\$32.58	\$2.88
<i>avg. claim cost (Br &amp; Gen)</i>	\$52.47	\$50.01	\$47.04	\$47.32	\$45.70	\$48.33	\$44.57	\$44.59	\$44.42	\$47.49	\$45.67	\$47.57	\$46.84	\$43.00	(\$3.85)
<b>BRAND %</b>	<b>68.1%</b>	<b>66.7%</b>	<b>63.1%</b>	<b>62.1%</b>	<b>60.4%</b>	<b>61.0%</b>	<b>58.2%</b>	<b>59.1%</b>	<b>58.6%</b>	<b>60.1%</b>	<b>58.6%</b>	<b>61.7%</b>	<b>61.2%</b>		
<b>GENERIC %</b>	<b>31.9%</b>	<b>33.3%</b>	<b>36.9%</b>	<b>37.9%</b>	<b>39.6%</b>	<b>39.0%</b>	<b>41.8%</b>	<b>40.9%</b>	<b>41.4%</b>	<b>39.9%</b>	<b>41.4%</b>	<b>38.3%</b>	<b>38.8%</b>		
<i>avg. claim cost (Brand)</i>	\$162.50	\$157.13	\$156.58	\$162.77	\$157.21	\$171.00	\$158.96	\$161.22	\$160.38	\$179.20	\$166.97	\$186.04	\$164.95		
<i>avg. claim cost (Generic)</i>	\$21.43	\$21.14	\$21.43	\$21.91	\$21.95	\$22.76	\$22.27	\$21.82	\$21.95	\$22.52	\$22.51	\$21.61	\$21.99		

Data Source: Berkeley Research Group, LLC and Amy Cansler (Director of Strategic Accounts, Script Care, Ltd.).

**Note:**

1) The actual stats obtained from California Department of Health Care Services.

2) The actual stats obtained from Script Care, Ltd.

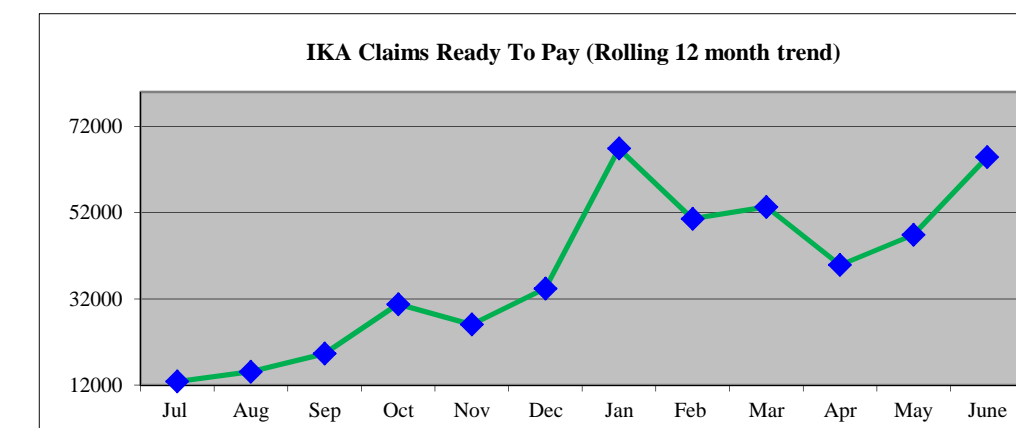
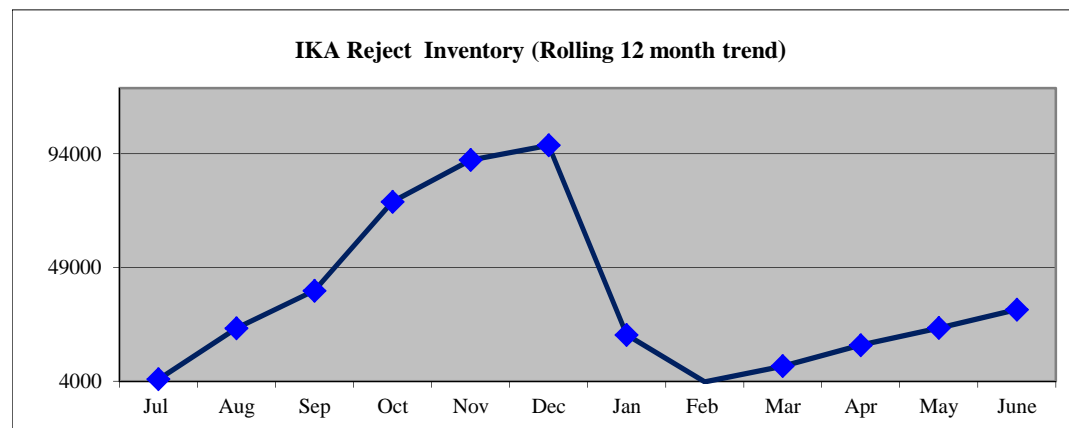
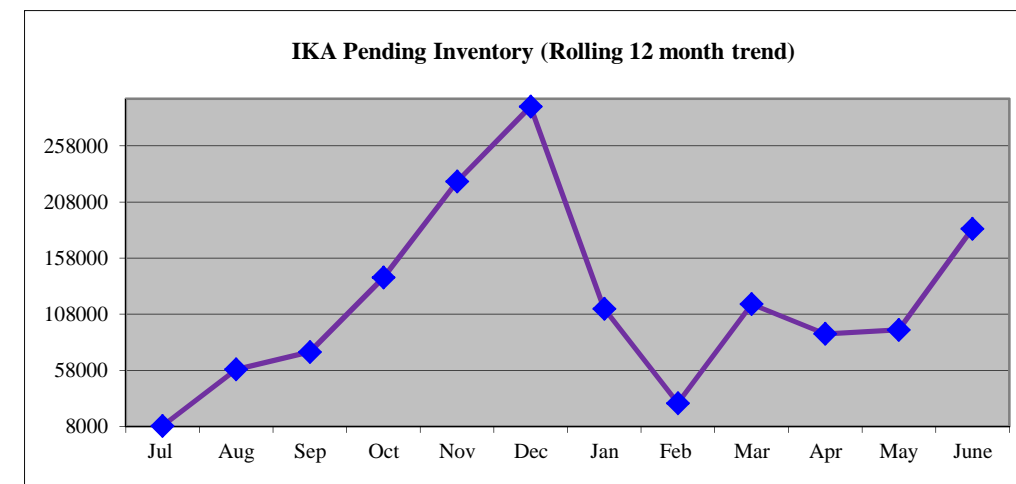
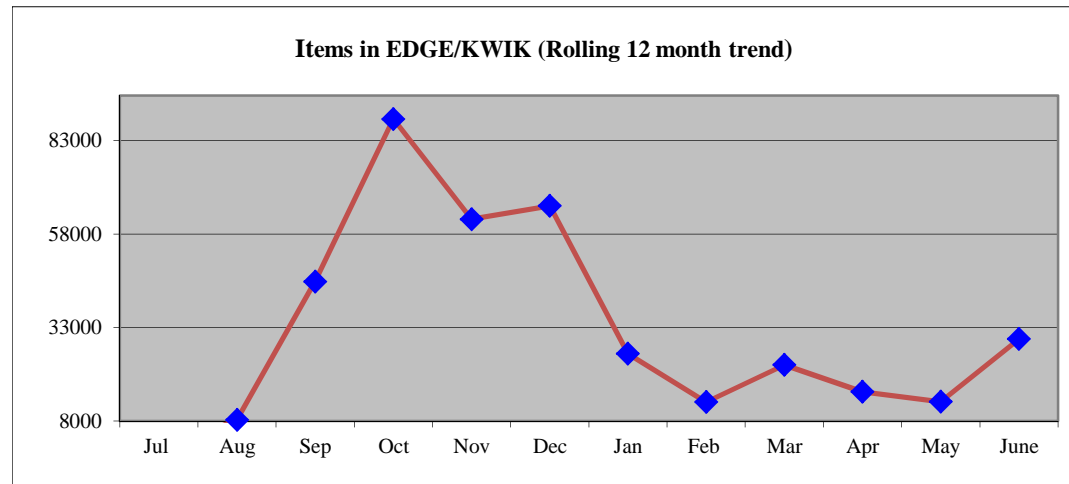


# Gold Coast Health Plan

## Inventory On Hand Trend

July 1, 2011 Thru June 30, 2012

	July 1, 2011 - June 30, 2012 Actual											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>Items in EDGE/KWIK (work in progress)</b>	-	8,339	45,297	88,778	61,997	65,537	26,034	13,113	23,027	15,844	13,190	29,945
<i>Avg./Mail Receipts (20 days)</i>	-	2,680	3,881	4,540	4,414	3,799	3,903	4,535	4,669	4,479	4,244	4,893
<i>DROH Current Inventory / Avg. Mail Receipts</i>	-	3.1	11.7	19.6	14.0	17.3	6.7	2.9	4.9	3.5	3.1	6.1
<b>IKA Pending Inventory</b>	8,451	58,815	74,302	140,654	226,204	293,188	112,864	28,727	116,972	90,451	94,039	184,183
<i>Avg./Mail Receipts (20 days)</i>	-	2,680	3,881	4,540	4,414	3,799	3,903	4,535	4,669	4,479	4,244	4,893
<i>DROH Current Inventory / Avg. Mail Receipts</i>	-	21.9	19.1	31.0	51.2	77.2	28.9	6.3	25.1	20.2	22.2	37.6
<b>IKA Reject Inventory</b>	4,795	25,010	39,829	75,028	91,550	97,341	22,352	3,705	9,972	18,265	25,043	32,374
<i>Avg./Mail Receipts (20 days)</i>	-	2,680	3,881	4,540	4,414	3,799	3,903	4,535	4,669	4,479	4,244	4,893
<i>DROH Current Inventory / Avg. Mail Receipts</i>	-	9.3	10.3	16.5	20.7	25.6	5.7	0.8	2.1	4.1	5.9	6.6
<b>IKA Claims Ready To Pay</b>	12,847	15,113	19,307	30,760	26,045	34,395	66,894	50,601	53,321	39,870	46,888	64,879
<i>Avg./Mail Receipts (20 days)</i>	-	2,680	3,881	4,540	4,414	3,799	3,903	4,535	4,669	4,479	4,244	4,893
<i>DROH Current Inventory / Avg. Mail Receipts</i>	-	5.6	5.0	6.8	5.9	9.1	17.1	11.2	11.4	8.9	11.0	13.3



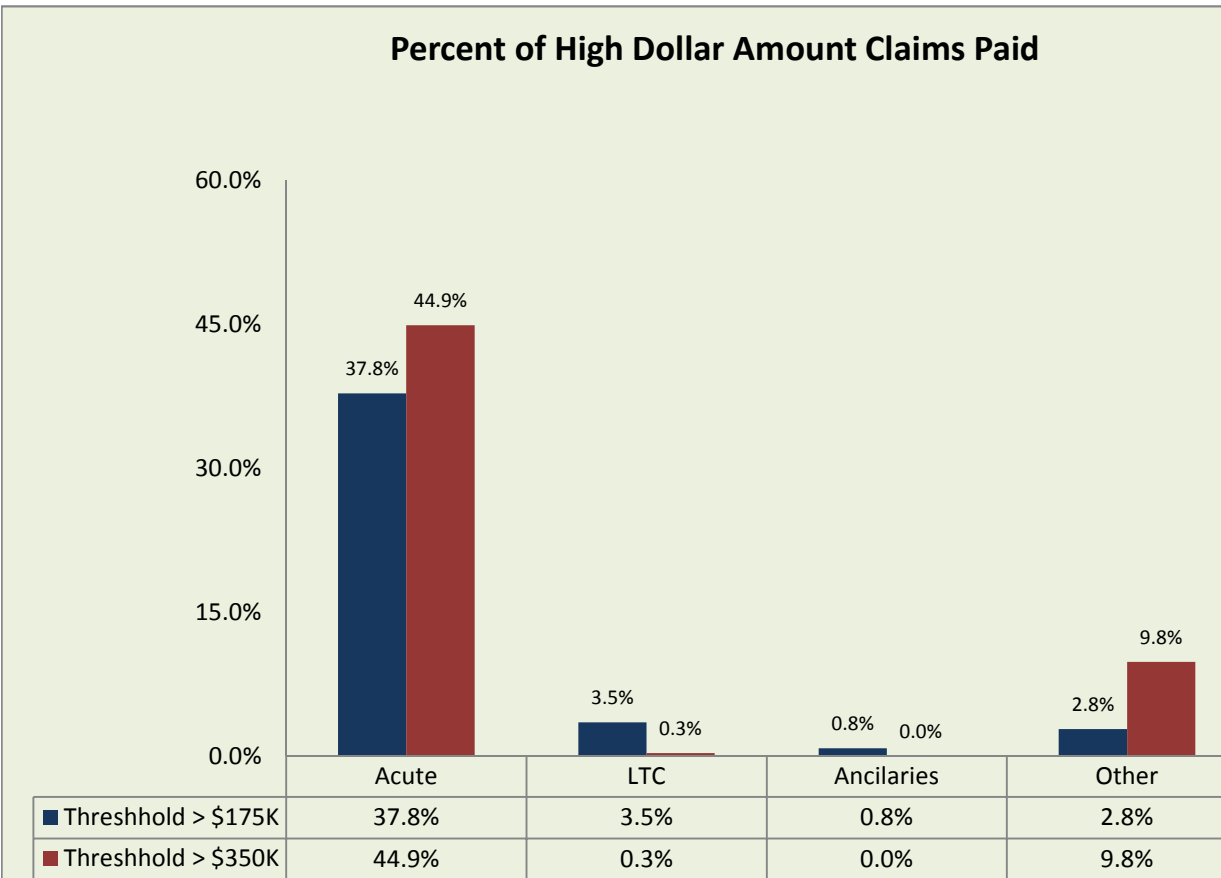
# Gold Coast Health Plan

## High Dollar Claims Paid

For The Twelve Months Ended June 30, 2012

<u>Threshold &gt; \$175K:</u>	<b>Members</b>	<b>Total \$ Paid</b>	<b>% of total</b>
Acute		4,070,453	37.8%
LTC		373,500	3.5%
Ancillaries		90,239	0.8%
Other		303,599	2.8%
<b>Sub-total</b>	<b>19</b>	<b>\$4,837,792</b>	<b>45.0%</b>
<b>Threshold &gt; \$350K:</b>			
Acute		\$4,829,390	44.9%
LTC		\$33,192	0.3%
Ancillaries		\$0	0.0%
Other		\$1,054,390	9.8%
<b>Sub-total</b>	<b>10</b>	<b>\$5,916,972</b>	<b>55.0%</b>
<b>Grand Total</b>	<b>29</b>	<b>\$10,754,765</b>	<b>100.0%</b>

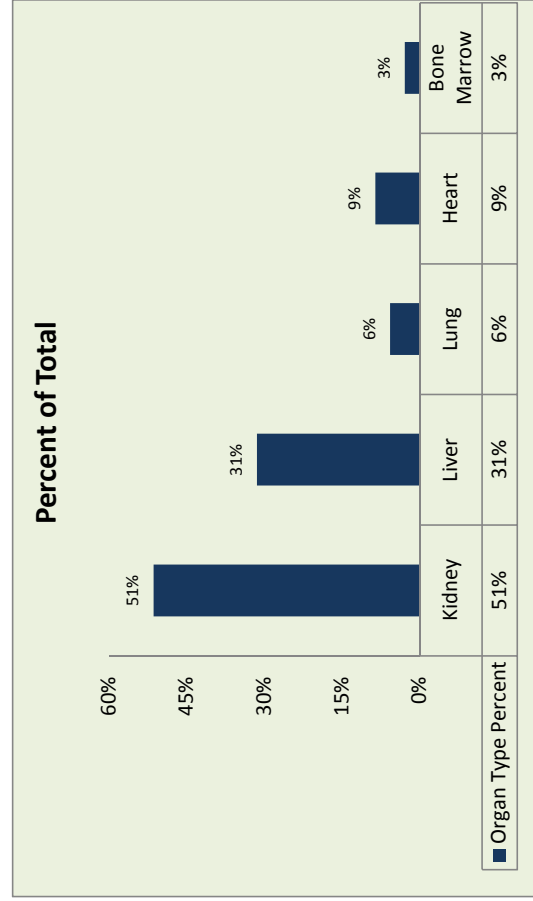
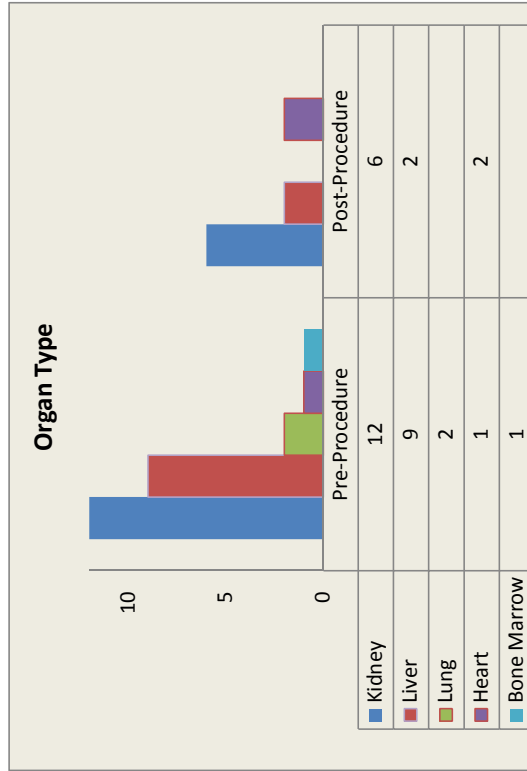
**Percent of High Dollar Amount Claims Paid**



# Gold Coast Health Plan

Organ Stats

Type Of Organ	Pre-Procedure	Post-Procedure	Total	% of Total
Kidney	12	6	18	51%
Liver	9	2	11	31%
Lung	2	2	4	11%
Heart	1	2	3	9%
Bone Marrow	1	1	2	6%
<b>Total</b>	<b>25</b>	<b>10</b>	<b>35</b>	<b>100%</b>



## GOLD COAST HEALTH PLAN

### FY 2012-13 BUDGET ASSUMPTIONS

#### Membership

Enrollment is assumed to remain steady, with negligible growth of about 0.3% annually. Under a new DHCS policy effective July 1, 2012, retroactive enrollment will no longer be processed. The policy should relieve the Plan of retroactively incurring claims, but will also result in the loss of revenue for this enrollment. With the planned transition of Healthy Families to Medi-Cal, the California DHCS will assign approximately 16,000 Healthy Families members to the Plan. About 12,000 Healthy Families additions are expected to arrive in April, followed by additional enrollment in June. Also, the enrollment for Community Based Adult Services (CBAS) is expected to become effective in July 2012. There will be approximately 1,000 enrollees in this category. The total impact of these new programs on the Plan's enrollment is projected to be:

Beginning membership at July 1, 2012	101,207
Healthy Families assigned beginning April 1, 2013	16,000
CBAS, beginning July 1, 2012	1,000
Projected normal growth	313
Ending enrollment, June 30, 2013	118,520

#### Premium

Based on the targeted Medi-Cal reductions as outlined in the Governor's latest budget and anecdotal observations from other COHS, the Plan's premium revenue is expected to be cut by 3.7%. The reduction will cause the overall gross revenue pmpm to average \$240.25 (using projected enrollment), down from the current rate of about \$248.45. The assumed loss in revenue is about \$11.4 million for the year.

Aid Category - Revenue pmpm	2011-12	2012-13
Adult/Family	131.64	126.77
Aged - Medi-Cal	521.14	501.86
Disabled - Medi-Cal	832.79	801.98
Long Term Care - Medi-Cal	7,027.51	6,767.49
Aged - Dual	233.79	225.14
Disabled - Dual	197.32	190.02
Long Term Care - Dual	4,494.06	4,327.78
BCCTP	1,062.47	1,023.16
Abortion (Family/Adult Only)	0.73	0.70
<b>Total excluding CBAS</b>	<b>248.45</b>	<b>240.25</b>
CBAS	N/A	1,102.56
<b>Total</b>	<b>248.45</b>	<b>251.18</b>

## Health Care Costs

---

Under the current contract, the Plan is allowed to pass through a reduction in premium to providers in the form of a reduction in reimbursement rates. For budget purposes, it is assumed that something less than 50% of the reduction will be passed down, or a projected reduction of 1.7% of current health care costs (which had been developed by Milliman using data provided by DHCS in the original model). As payment patterns have been somewhat erratic, the ability to find meaningful trends or correlations has been problematic. Therefore, medical costs and IBNR will continue to be calculated using budgeted rates, based on the above rate assumptions. This methodology has again received confirmation by the Plan's actuaries, while the rates are subject to review and revisions, as new information is received. Using these assumptions, the rates are as follows:

<b>Health Care Costs</b>	<b>2011-12</b>	<b>2012-13</b>
All Other FFS	14.44	13.38
Emergency Room	5.00	4.84
Inpatient Hospital	42.61	41.08
Laboratory & Radiology	2.17	2.09
Long-Term Care Facility	62.65	65.59
Other Medical Professional	2.29	1.95
Outpatient Facility Services	25.71	24.86
Pharmacy	28.61	32.05
Physician Specialty Services	19.48	18.68
Transportation Services	2.82	2.59

The rates presented above are an overview, and do not directly translate to the aforementioned reductions in comparing the two years. The projected rates were developed in detail, as a separate category of service for each aid category. The blended rates above are affected by membership mix and utilization within each aid category, and are presented as an average rate throughout the year. Also, it should be noted that the CBAS enrollees are treated as an addition to the Long-Term Care population. In addition, new re-insurance rates are known to be \$2.33 pmpm.

## Capitation Payments to Providers

---

For the year beginning July 1, 2012, capitation is assumed to remain stable and continue with existing rates as contracted with providers. Renegotiation will be deferred until the 2013-14 fiscal year. Rates are as follows:

	<b><u>2012-13</u></b>
Adult/Family	8.38
Aged Medi-Cal	10.99
Disabled Medi-Cal	12.06

Capitation is paid for members who have selected a primary care physician. Not all members are required to select a PCP, and recent payment history shows that about 85% of the expected capitation amount translates to actual payments. It is assumed that this trend will continue.

### **Staffing and Salaries**

---

After assessing long-term needs of the Plan, it has been determined that 35-40 new positions are needed to support a new organizational structure. The Nursing/Case Management staff is expected to remain under ACS until the following fiscal year. The staffing levels as projected will ultimately result in having 68 FTEs under Gold Coast and 18 FTEs under ACS. It is also assumed that the relationship with RGS will be severed effective September 1, 2012, eventually necessitating the addition of 3 human resources FTEs as well. Salaries are projected to be within market-anchored rates. The timing of hiring and the rates for specific positions are being developed as specific needs are more thoroughly analyzed. Merit increases of 3.0% per year are anticipated in November. Benefits (including payroll taxes) are assumed to follow existing rates, and average about 43% of salary rates.

### **Facilities**

---

As the current office environment has become inadequate, a search for new facilities has been underway. It is assumed that a move will occur between November and December of 2012. The projected space requirement is about 20,000 square feet, resulting in a new monthly lease amount of about \$43,000. In the current environment for office space, it is expected that any tenant improvements will be favorably negotiated with the final lease agreement, with little cost to the Plan. The cost of the move is currently projected to be \$50,000, until actual bids and details are received.

### **Administrative Expenses**

---

Expenses are projected using the current year's history, adjusted for the increase in FTEs where the usage is variable. The bulk of general office expenses are assumed to maintain stable levels, with the exception of known seasonal events (annual audits, timed printing and mailing of membership material). Additional computers and cubicle units will be required for new employees; the assumed total cost is \$112,000, incurred throughout the year as the new hires are added. A new phone system is also expected as a necessary addition to the new facility configuration; the current estimate is \$20,000. Major purchases would also include case management software. It is possible that software will be purchased (including implementation costs) that would be in the range of \$400,000-\$500,000. The current needs are being assessed by management and a determination will be forthcoming.

### **Tangible Net Equity**

---

According to Title 28 CCR §1300.76, the Plan is allowed to use a phase-in approach in achieving its required TNE. This stair-step approach is as follows: 20% within 6 months, 36% within 12 months, 52% within 18 months, 68% within 24 months, 84% within 30 months and 100% within 36 months. At July 1, 2012, the Plan would be at the 36% step, followed by 52% at December 31, 2012, leading into the 68% step for the following year.

### **Forecast Risks**

---

The budget in its current form allows the Plan to meet its TNE requirement of 68% by year end. While rates are still in development, the inherent risk is that the Plan may be unable to effectively manage its health care costs in response to the anticipated premium rate reduction in a manner that will achieve the TNE target. Other risks include:

- Premium rate reductions larger than anticipated
- The inability to limit Provider Capitation rates to current levels
- Utilization rates exceeding historical averages
- New legislation or litigation requiring COHS to cover additional services or respond to new regulations

This is by no means an all-inclusive list, but shows that the current environment is able to produce various factors both within and outside the control of the Plan.



**Fiscal Year July 1, 2012 - June 30, 2013**  
**Forecasted Balance Sheet**

	<b>Jul-12</b>	<b>Aug-12</b>	<b>Sep-12</b>	<b>Oct-12</b>	<b>Nov-12</b>	<b>Dec-12</b>	<b>Jan-13</b>	<b>Feb-13</b>	<b>Mar-13</b>	<b>Apr-13</b>	<b>May-13</b>	<b>Jun-13</b>
Petty Cash	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cash -Operating Account	2,799,918	2,787,994	2,752,155	2,766,948	2,722,069	2,719,849	2,728,393	2,718,264	2,785,423	2,933,460	2,948,510	3,098,874
Cash - Claims Payment	(5,726,491)	(5,681,616)	(5,544,215)	(5,509,450)	(5,482,473)	(5,477,130)	(5,455,598)	(5,449,964)	(5,448,775)	(5,478,177)	(5,557,663)	(5,657,699)
Money Market Account	55,868,010	59,053,771	58,234,807	59,348,887	60,374,379	59,776,796	60,949,616	62,089,850	62,476,490	64,600,410	66,486,527	67,852,007
Medi-Cal Receivable	-	-	-	-	-	-	-	-	-	-	-	-
Provider Receivable	6,108,621	5,497,759	4,947,983	4,453,185	4,007,866	3,607,080	3,246,372	2,921,735	2,629,561	2,366,605	2,129,945	1,916,950
Other Receivables	1,361,361	11,437	14,860	19,521	17,185	18,520	18,251	16,169	17,465	12,204	18,858	8,231
Prepaid - General	32,966	29,969	26,972	23,975	20,978	17,981	14,984	11,987	8,990	5,993	2,997	-
Prepaid License Fees	239,211	224,542	209,873	228,736	214,067	199,398	184,729	170,060	155,391	140,722	126,053	111,384
Prepaid Insurance	35,805	32,550	29,295	26,040	22,785	19,530	16,275	13,020	9,765	6,510	3,255	-
Deposits	757,500	-	-	-	-	-	-	-	-	-	-	-
Computer Systems & Software	112,172	112,172	112,172	112,172	132,172	132,172	132,172	132,172	132,172	132,172	132,172	132,172
Accum Amortization	(19,680)	(21,486)	(23,292)	(25,098)	(27,237)	(29,376)	(31,515)	(33,654)	(35,793)	(37,932)	(40,071)	(42,210)
<b>Total Assets</b>	<b>61,570,394</b>	<b>62,048,093</b>	<b>60,761,611</b>	<b>61,445,916</b>	<b>62,002,791</b>	<b>60,985,820</b>	<b>61,804,679</b>	<b>62,590,638</b>	<b>62,731,690</b>	<b>64,682,968</b>	<b>66,251,583</b>	<b>67,420,709</b>
Claims Payable	8,866,065	8,757,798	8,685,655	8,641,849	8,604,745	8,590,534	8,583,316	8,578,649	8,856,355	9,056,015	9,260,551	9,768,551
Capitation Payable	622,362	622,518	622,674	622,829	622,985	623,141	623,297	623,452	623,608	709,240	709,417	738,087
Incurred But Not Reported	32,371,327	32,046,527	31,830,098	31,698,680	31,587,369	31,544,734	31,523,082	31,509,079	32,342,198	32,941,179	33,554,784	35,078,786
Payable to State	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285	6,700,285
Accounts Payable	229,364	250,028	198,929	264,048	164,829	168,210	196,632	171,416	164,795	285,782	185,188	199,310
Accrued Expenses	100,920	110,012	87,529	116,181	72,525	74,013	86,518	75,423	72,510	125,744	81,483	87,696
Accrued Interest Payable												
Accrued ACS	914,423	914,635	914,846	915,058	915,269	915,481	915,692	915,904	916,116	1,015,553	1,015,790	1,049,101
Accrued RGS	11,450	15,576	-	-	-	-	-	-	-	-	-	-
Accrued Scriptcare	256,900	256,964	257,028	257,093	257,157	257,221	257,285	257,350	257,414	275,632	275,701	281,821
Accrued CQS	198,188	224,445	241,960	250,734	250,766	250,798	250,829	250,861	250,893	265,875	265,910	270,929
Accrued Premium Tax	1,205,505	1,808,261	602,906	1,205,964	1,809,171	603,359	1,206,868	1,810,529	603,811	1,230,106	1,856,557	638,335
Current Portion of Deferred Revenue	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
Accrued Payroll Expense												
Current Portion Of Long Term Debt	500,000	458,333	416,666	374,999	333,332	291,665	249,998	208,331	166,664	124,997	83,330	41,663
Deferred Revenue - Long Term Portion	1,341,668	1,303,335	1,265,002	1,226,669	1,188,336	1,150,003	1,111,670	1,073,337	1,035,004	996,671	958,338	920,005
Other Long-term Liability	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated Loan												
<b>Fund Balance</b>	<b>7,791,936</b>	<b>8,119,377</b>	<b>8,478,032</b>	<b>8,711,527</b>	<b>9,036,023</b>	<b>9,356,378</b>	<b>9,639,206</b>	<b>9,956,022</b>	<b>10,282,036</b>	<b>10,495,889</b>	<b>10,844,249</b>	<b>11,186,140</b>
<b>Total Liab &amp; Fund Balance</b>	<b>61,570,394</b>	<b>62,048,093</b>	<b>60,761,611</b>	<b>61,445,916</b>	<b>62,002,791</b>	<b>60,985,820</b>	<b>61,804,679</b>	<b>62,590,638</b>	<b>62,731,690</b>	<b>64,682,968</b>	<b>66,251,583</b>	<b>67,420,709</b>

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2012 - June 30, 2013**  
**Forecasted Cash Flow Statement**

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Cash Flow from Operating Activities												
Collected Premium	54,177,707	25,649,180	25,655,592	25,662,006	25,668,422	25,674,839	25,681,258	25,687,678	25,694,100	27,230,191	27,236,999	27,753,697
Interest Income	15,386	15,390	15,393	15,397	15,401	15,405	15,409	15,413	15,416	16,338	16,342	16,652
Paid Claims												
Inpatient	(11,729,155)	(11,353,030)	(11,281,824)	(11,226,567)	(11,215,624)	(11,171,520)	(11,159,980)	(11,157,543)	(10,581,964)	(11,144,088)	(11,137,196)	(10,668,443)
Outpatient	(3,430,952)	(3,320,930)	(3,300,101)	(3,283,938)	(3,280,737)	(3,267,836)	(3,264,460)	(3,263,747)	(3,095,382)	(3,500,126)	(3,497,961)	(3,423,961)
Professional	(2,236,020)	(2,164,317)	(2,150,742)	(2,140,208)	(2,138,122)	(2,129,714)	(2,127,514)	(2,127,050)	(2,017,322)	(2,243,181)	(2,241,794)	(2,183,607)
Pharmacy	(3,493,756)	(3,381,719)	(3,360,509)	(3,344,050)	(3,340,790)	(3,327,653)	(3,324,215)	(3,323,490)	(3,152,042)	(3,433,173)	(3,431,050)	(3,321,283)
Captitation	(633,276)	(622,362)	(622,518)	(622,674)	(622,829)	(622,985)	(623,141)	(623,297)	(623,452)	(623,608)	(709,240)	(709,417)
All Other FFS	(1,765,021)	(1,708,421)	(1,697,706)	(1,689,391)	(1,687,744)	(1,681,107)	(1,679,370)	(1,679,004)	(1,592,390)	(1,646,880)	(1,645,862)	(1,567,418)
Reinsured Claims	(251,058)	(243,007)	(241,483)	(240,300)	(240,066)	(239,122)	(238,875)	(238,823)	(226,503)	(257,447)	(257,287)	(252,221)
Paid Admin Expenses	(1,534,919)	(221,264)	(2,433,353)	(2,419,770)	(2,533,972)	(2,394,715)	(2,395,256)	(2,437,368)	(2,405,449)	(2,376,761)	(2,706,264)	(2,542,962)
Provider Receivable	124,666	610,862	549,776	494,798	445,318	400,787	360,708	324,637	292,173	262,956	236,661	212,994
MCO Tax Expense	-	-	(1,808,261)	-	-	(1,809,171)	-	-	(1,810,529)	-	-	(1,856,557)
Net cash provided (used) by Ops	29,243,601	3,260,379	(675,736)	1,205,304	1,069,257	(552,793)	1,244,563	1,177,406	496,656	2,284,222	1,863,347	1,457,475
Cash Flow from Investing/Financing												
Proceeds Subordinated Debt												
Costs of Capitalization												
Net Prop & Equip					(20,000)							
Origination of ACS Debt												
Debt Payments	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)
Net Cash Provided (Used) by Inv/Fin	(41,667)	(41,667)	(41,667)	(41,667)	(61,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)	(41,667)
Net Cash Flow	29,201,934	3,218,712	(717,403)	1,163,637	1,007,590	(594,460)	1,202,896	1,135,739	454,989	2,242,555	1,821,680	1,415,808
Cash & Equiv at Beg of Period	23,740,503	52,942,437	56,161,150	55,443,747	56,607,385	57,614,975	57,020,515	58,223,411	59,359,150	59,814,138	62,056,694	63,878,374
Cash & Equiv at End of Period	52,942,437	56,161,150	55,443,747	56,607,385	57,614,975	57,020,515	58,223,411	59,359,150	59,814,138	62,056,694	63,878,374	65,294,182

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2012 - June 30, 2013**  
**Forecasted P & L - .07.13.12**

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Total
Enrollment-Members	102,232	102,258	102,283	102,309	102,335	102,360	102,386	102,411	102,437	114,463	114,491	118,520	1,268,485
Retroactivity	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Member Months</b>	<b>102,232</b>	<b>102,258</b>	<b>102,283</b>	<b>102,309</b>	<b>102,335</b>	<b>102,360</b>	<b>102,386</b>	<b>102,411</b>	<b>102,437</b>	<b>114,463</b>	<b>114,491</b>	<b>118,520</b>	<b>1,268,485</b>
Average Membership													105,707
<b><u>Revenue</u></b>													
Premium	25,642,769	25,649,180	25,655,592	25,662,006	25,668,422	25,674,839	25,681,258	25,687,678	25,694,100	27,230,191	27,236,999	27,753,697	313,236,731
Reserve for Retro Rate Adj	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Adjusted Revenue</b>	<b>25,642,769</b>	<b>25,649,180</b>	<b>25,655,592</b>	<b>25,662,006</b>	<b>25,668,422</b>	<b>25,674,839</b>	<b>25,681,258</b>	<b>25,687,678</b>	<b>25,694,100</b>	<b>27,230,191</b>	<b>27,236,999</b>	<b>27,753,697</b>	<b>313,236,731</b>
Interest Income	15,386	15,390	15,393	15,397	15,401	15,405	15,409	15,413	15,416	16,338	16,342	16,652	187,942
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	459,996
<b>Total Gross Revenue</b>	<b>25,696,488</b>	<b>25,702,903</b>	<b>25,709,319</b>	<b>25,715,736</b>	<b>25,722,156</b>	<b>25,728,577</b>	<b>25,734,999</b>	<b>25,741,423</b>	<b>25,747,849</b>	<b>27,284,862</b>	<b>27,291,674</b>	<b>27,808,682</b>	<b>313,884,669</b>
MCO Tax	602,605	602,756	602,906	603,057	603,208	603,359	603,510	603,660	603,811	626,294	626,451	638,335	7,319,953
<b>Net Revenue</b>	<b>25,093,883</b>	<b>25,100,147</b>	<b>25,106,412</b>	<b>25,112,679</b>	<b>25,118,948</b>	<b>25,125,218</b>	<b>25,131,490</b>	<b>25,137,763</b>	<b>25,144,038</b>	<b>26,658,568</b>	<b>26,665,223</b>	<b>27,170,347</b>	<b>306,564,716</b>
<b><u>Health Care Costs</u></b>													
<b>Capitation</b>	622,362	622,518	622,674	622,829	622,985	623,141	623,297	623,452	623,608	709,240	709,417	738,087	7,763,611
<b>Claims</b>													
Inpatient	11,128,494	11,131,276	11,134,059	11,136,842	11,139,626	11,142,411	11,145,197	11,147,983	11,150,770	11,544,545	11,547,431	11,680,647	135,029,281
Outpatient	3,255,250	3,256,064	3,256,878	3,257,692	3,258,506	3,259,321	3,260,136	3,260,951	3,261,766	3,625,901	3,626,807	3,748,821	40,328,093
Professional	2,121,512	2,122,042	2,122,573	2,123,103	2,123,634	2,124,165	2,124,696	2,125,227	2,125,758	2,323,789	2,324,370	2,390,784	26,151,651
Pharmacy	3,314,837	3,315,666	3,316,494	3,317,324	3,318,153	3,318,982	3,319,812	3,320,642	3,321,472	3,556,543	3,557,432	3,636,401	40,613,758
Other	1,674,632	1,675,051	1,675,470	1,675,889	1,676,308	1,676,727	1,677,146	1,677,565	1,677,985	1,706,060	1,706,486	1,716,132	20,215,449
Reinsurance	238,201	238,261	238,320	238,380	238,440	238,499	238,559	238,618	238,678	266,698	266,764	276,151	2,955,570
Care Management	503,535	581,206	622,443	630,781	634,438	635,035	634,631	634,727	635,323	668,023	668,127	679,266	7,527,534
<b>Total Claims</b>	<b>22,236,460</b>	<b>22,319,565</b>	<b>22,366,237</b>	<b>22,380,011</b>	<b>22,389,105</b>	<b>22,395,140</b>	<b>22,400,176</b>	<b>22,405,714</b>	<b>22,411,753</b>	<b>23,691,557</b>	<b>23,697,418</b>	<b>24,128,201</b>	<b>272,821,336</b>
<b>Total Health Care Costs</b>	<b>22,858,823</b>	<b>22,942,083</b>	<b>22,988,910</b>	<b>23,002,840</b>	<b>23,012,090</b>	<b>23,018,281</b>	<b>23,023,473</b>	<b>23,029,166</b>	<b>23,035,361</b>	<b>24,400,798</b>	<b>24,406,835</b>	<b>24,866,288</b>	<b>280,584,947</b>
<b><u>Administrative Expenses</u></b>	1,643,797	1,830,623	1,758,847	1,876,344	1,782,362	1,786,582	1,825,190	1,791,780	1,782,664	2,043,916	1,910,028	1,962,169	21,994,301
<b>Net Income</b>	<b>591,264</b>	<b>327,441</b>	<b>358,655</b>	<b>233,496</b>	<b>324,496</b>	<b>320,355</b>	<b>282,827</b>	<b>316,817</b>	<b>326,013</b>	<b>213,854</b>	<b>348,360</b>	<b>341,891</b>	<b>3,985,468</b>

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2012 - June 30, 2013**  
**Forecasted P & L - .07.13.12**

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Total
<b>Ratio Analysis</b>													
<b>Revenue</b>													
Premium	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Interest Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other Income	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>Total Gross Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
MCO Tax	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
<b>Net Revenue</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.7%</b>
<b>Health Care Costs</b>													
<b>Capitation</b>	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%	2.7%	2.7%	2.5%
<b>Claims</b>													
Inpatient	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%	43.3%	43.3%	43.0%	44.0%
Outpatient	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%	13.6%	13.6%	13.8%	13.2%
Professional	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.7%	8.7%	8.8%	8.5%
Pharmacy	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.3%	13.3%	13.4%	13.2%
Other	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.7%	6.4%	6.4%	6.3%	6.6%
Reinsurance	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%
Reinsurance Recoveries	4.5%	5.2%	5.6%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.8%	5.8%	5.8%	5.6%
<b>Total Claims</b>	<b>88.6%</b>	<b>88.9%</b>	<b>89.1%</b>	<b>89.1%</b>	<b>89.1%</b>	<b>89.1%</b>	<b>89.1%</b>	<b>89.1%</b>	<b>89.1%</b>	<b>88.9%</b>	<b>88.9%</b>	<b>88.8%</b>	<b>89.0%</b>
<b>Total Health Care Costs</b>	<b>91.1%</b>	<b>91.4%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.6%</b>	<b>91.5%</b>	<b>91.5%</b>	<b>91.5%</b>	<b>91.5%</b>
<b>Administrative Expenses</b>	6.6%	7.3%	7.0%	7.5%	7.1%	7.1%	7.3%	7.1%	7.1%	7.7%	7.2%	7.2%	7.2%
<b>Net Income</b>	<b>2.4%</b>	<b>1.3%</b>	<b>1.4%</b>	<b>0.9%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>0.8%</b>	<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>

<b>Impact on TNE:</b>													
Required TNE	16,005,325	16,044,547	16,072,111	16,088,865	16,100,396	16,108,826	16,115,347	16,120,736	16,125,422	16,233,131	16,321,642	16,424,536	<b>16,424,536</b>
Phased in Requirement (36%/52%)	5,761,917	5,776,037	5,785,960	5,791,991	5,796,143	5,799,177	8,379,981	8,382,783	8,385,219	8,441,228	8,487,254	8,540,759	8,540,759
Monthly TNE	7,791,936	8,119,377	8,478,032	8,711,527	9,036,023	9,356,378	9,639,206	9,956,022	10,282,036	10,495,889	10,844,249	11,186,140	<b>11,186,140</b>
TNE Excess / (Deficiency)	2,030,019	2,343,340	2,692,072	2,919,536	3,239,880	3,557,201	1,259,225	1,573,240	1,896,816	2,054,661	2,356,995	2,645,381	2,645,381
	48.7%	50.6%	52.7%	54.1%	56.1%	58.1%	59.8%	61.8%	63.8%	64.7%	66.4%	68.1%	

Minimum TNE	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
2% of 1st \$150 mil Annualized Premium	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1% of Annualized Premium > \$150 mil	1,504,820	1,505,195	1,505,571	1,505,947	1,506,323	1,506,698	1,507,074	1,507,450	1,507,826	1,526,290	1,541,470	1,559,168	1,559,168
8% of 1st \$150 mil Annualized HCC	10,663,648	10,702,203	10,729,099	10,745,184	10,756,047	10,763,809	10,769,662	10,774,382	10,778,400	10,866,673	10,939,156	11,023,364	11,023,364
4% of Annualized HCC > \$150 mil	-	-	-	-	-	-	-	-	-	-	-	-	-
4% of Annualized Hospital Exp	5,341,677	5,342,345	5,343,012	5,343,680	5,344,348	5,345,017	5,345,685	5,346,353	5,347,022	5,366,458	5,382,486	5,401,171	5,401,171

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2011 - June 30, 2012**  
**Income Statement**

	<b>Actual</b>												
	<b>Jul-11</b>	<b>Aug-11</b>	<b>Sep-11</b>	<b>Oct-11</b>	<b>Nov-11</b>	<b>Dec-11</b>	<b>Jan-12</b>	<b>Feb-12</b>	<b>Mar-12</b>	<b>Apr-12</b>	<b>May-12</b>	<b>Jun-12</b>	<b>TOTAL</b>
Enrollment-Members	102,033	101,487	101,470	101,619	101,174	101,243	100,636	100,768	101,439	101,272	101,041	101,207	1,215,389
Retroactivity	-	2,202	3,351	3,626	3,805	3,836	3,782	4,071	5,064	4,174	4,221	4,668	42,800
<b>Member Months</b>	<b>102,033</b>	<b>103,689</b>	<b>104,821</b>	<b>105,245</b>	<b>104,979</b>	<b>105,079</b>	<b>104,418</b>	<b>104,839</b>	<b>106,503</b>	<b>105,446</b>	<b>105,262</b>	<b>105,875</b>	<b>1,258,189</b>
Average Membership													104,849
<b><u>Revenue</u></b>													
Premium	25,231,919	25,578,699	25,934,155	26,300,397	26,051,388	26,543,927	26,093,935	25,423,527	26,551,649	26,558,134	26,432,002	26,583,453	313,283,186
Reserve for Retro Rate Decrease	-	-	(1,658,225)	(556,951)	(557,959)	(560,056)	(556,929)	(553,821)	(561,704)	(563,998)	(564,990)	(565,653)	(6,700,285)
<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>25,537,006</b>	<b>24,869,706</b>	<b>25,989,945</b>	<b>25,994,136</b>	<b>25,867,012</b>	<b>26,017,800</b>	<b>306,582,900</b>
Interest Income	-	5,816	11,251	15,348	15,968	16,814	18,094	21,284	13,833	18,908	15,771	15,968	169,056
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	460,000
<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>25,593,434</b>	<b>24,929,324</b>	<b>26,042,112</b>	<b>26,051,378</b>	<b>25,921,117</b>	<b>26,072,101</b>	<b>307,211,956</b>
MCO Tax	591,954	587,426	585,154	597,129	601,035	598,144	602,987	697,397	630,949	624,116	621,152	624,711	7,362,155
<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>24,990,447</b>	<b>24,231,927</b>	<b>25,411,162</b>	<b>25,427,262</b>	<b>25,299,965</b>	<b>25,447,390</b>	<b>299,849,801</b>
<b><u>Health Care Costs</u></b>													
<b>Capitation</b>	588,173	582,177	665,127	625,098	637,089	646,596	638,740	620,892	631,179	631,706	634,809	633,276	7,534,863
<b><u>Claims</u></b>													
Inpatient	10,596,127	10,768,103	10,885,661	10,929,693	10,902,069	10,912,454	10,843,809	10,943,468	10,991,807	10,954,354	12,725,992	10,991,317	132,444,854
Outpatient	2,827,335	2,873,222	2,920,801	2,939,463	2,921,288	2,936,974	2,816,532	7,026,725	3,437,107	3,400,304	3,899,921	3,392,971	41,392,643
Professional	2,160,039	2,195,217	2,219,060	2,228,037	2,222,405	2,224,523	2,252,601	2,369,140	2,323,744	2,296,267	2,612,198	2,289,122	27,392,352
Pharmacy	2,276,259	2,701,995	2,747,049	2,884,784	2,913,958	3,217,573	3,102,270	3,053,291	3,257,618	3,244,925	3,292,480	3,330,093	36,022,296
Other	1,760,535	1,790,171	1,803,967	1,843,404	1,851,697	1,860,930	1,869,172	1,518,326	1,805,482	1,787,203	2,040,663	1,781,904	21,713,454
Reinsurance	92,850	92,353	92,338	94,616	92,928	92,131	92,131	91,579	91,244	92,309	(1,627,394)	(1,739,061)	(2,441,975)
Care Management	420,979	242,600	505,896	520,891	462,046	524,067	505,948	487,722	507,022	511,080	529,018	552,337	5,769,605
<b>Total Claims</b>	<b>20,134,124</b>	<b>20,663,661</b>	<b>21,174,772</b>	<b>21,440,889</b>	<b>21,366,391</b>	<b>21,768,653</b>	<b>21,482,462</b>	<b>25,490,251</b>	<b>22,414,023</b>	<b>22,286,444</b>	<b>23,472,879</b>	<b>20,598,682</b>	<b>262,293,230</b>
<b>Total Health Care Costs</b>	<b>20,722,297</b>	<b>21,245,838</b>	<b>21,839,899</b>	<b>22,065,987</b>	<b>22,003,480</b>	<b>22,415,249</b>	<b>22,121,202</b>	<b>26,111,143</b>	<b>23,045,202</b>	<b>22,918,149</b>	<b>24,107,687</b>	<b>21,231,958</b>	<b>269,828,093</b>
<b><u>Administrative Expenses</u></b>	1,341,729	1,354,008	1,413,721	1,672,837	1,084,862	1,440,127	1,529,225	1,516,129	1,615,365	1,829,630	1,883,097	1,717,486	18,398,217
<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>1,585,499</b>	<b>1,340,019</b>	<b>(3,395,346)</b>	<b>750,595</b>	<b>679,482</b>	<b>(690,820)</b>	<b>2,497,946</b>	<b>11,623,492</b>

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2011 - June 30, 2012**  
**Income Statement**

	Actual												
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
<b>Ratio Analysis</b>													
<b>Revenue</b>													
Premium	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
Interest Income	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Other Income	0.2%	0.1%	0.2%	0.1%	0.2%	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
<b>Total Gross Revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
MCO Tax	2.3%	2.3%	2.4%	2.3%	2.4%	2.3%	2.4%	2.8%	2.4%	2.4%	2.4%	2.4%	2.4%
<b>Net Revenue</b>	<b>97.7%</b>	<b>97.7%</b>	<b>97.6%</b>	<b>97.7%</b>	<b>97.6%</b>	<b>97.7%</b>	<b>97.6%</b>	<b>97.2%</b>	<b>97.6%</b>	<b>97.6%</b>	<b>97.6%</b>	<b>97.6%</b>	<b>97.6%</b>
<b>Health Care Costs</b>													
<b>Capitation</b>													
	2.4%	2.3%	2.8%	2.5%	2.6%	2.5%	2.6%	2.6%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Claims</b>													
<b>Inpatient</b>													
	42.9%	43.0%	45.9%	43.4%	43.7%	42.9%	43.4%	45.2%	43.3%	43.1%	50.3%	43.2%	44.2%
<b>Outpatient</b>													
Professional	11.5%	11.5%	12.3%	11.7%	11.7%	11.5%	11.3%	29.0%	13.5%	13.4%	15.4%	13.3%	13.8%
Pharmacy	8.8%	8.8%	9.3%	8.8%	8.9%	8.7%	9.0%	9.8%	9.1%	9.0%	10.3%	9.0%	9.1%
Other	9.2%	10.8%	11.6%	11.4%	11.7%	12.6%	12.4%	12.6%	12.8%	12.8%	13.0%	13.1%	12.0%
Reinsurance	7.1%	7.2%	7.6%	7.3%	7.4%	7.3%	7.5%	6.3%	7.1%	7.0%	8.1%	7.0%	7.2%
Reinsurance Recoveries	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	-6.4%	-6.8%	-0.8%
<b>Total Claims</b>	<b>4.0%</b>	<b>2.3%</b>	<b>4.6%</b>	<b>4.8%</b>	<b>4.2%</b>	<b>4.8%</b>	<b>4.7%</b>	<b>4.5%</b>	<b>4.6%</b>	<b>4.7%</b>	<b>4.2%</b>	<b>5.0%</b>	<b>4.4%</b>
<b>Total Health Care Costs</b>	<b>81.6%</b>	<b>82.5%</b>	<b>89.2%</b>	<b>85.1%</b>	<b>85.6%</b>	<b>85.6%</b>	<b>86.0%</b>	<b>105.2%</b>	<b>88.2%</b>	<b>87.6%</b>	<b>92.8%</b>	<b>80.9%</b>	<b>87.5%</b>
<b>Administrative Expenses</b>	<b>5.4%</b>	<b>5.4%</b>	<b>6.0%</b>	<b>6.6%</b>	<b>4.3%</b>	<b>5.7%</b>	<b>6.1%</b>	<b>6.3%</b>	<b>6.4%</b>	<b>7.2%</b>	<b>7.4%</b>	<b>6.7%</b>	<b>6.1%</b>
<b>Net Income</b>	<b>10.6%</b>	<b>9.7%</b>	<b>2.1%</b>	<b>5.8%</b>	<b>7.4%</b>	<b>6.2%</b>	<b>5.4%</b>	<b>-14.0%</b>	<b>3.0%</b>	<b>2.7%</b>	<b>-2.7%</b>	<b>9.8%</b>	<b>3.9%</b>

<b>Impact on TNE:</b>													
Required TNE	14,242,618	14,455,522	14,671,236	14,837,677	14,925,890	15,048,230	15,101,073	15,615,661	15,685,187	15,730,358	15,793,552	15,685,664	<b>15,685,664</b>
Phased in Requirement (20%/36%)	-	-	-	-	-	-	3,020,215	3,123,132	3,137,037	3,146,072	3,158,710	3,137,133	3,137,133
TNE Excess / (Deficiency)	(1,808,546)	627,031	1,113,773	2,574,946	4,433,298	6,018,797	4,338,601	840,337	1,577,027	2,247,475	1,544,017	4,063,539	<b>4,063,539</b>
							48.7%	25.4%	30.1%	34.3%	29.8%	45.9%	

Minimum TNE	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
2% of 1st \$150 mil Annualized Premium	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1% of Annualized Premium > \$150 mil	1,456,796	1,477,874	1,432,881	1,454,050	1,460,657	1,474,929	1,477,380	1,467,792	1,476,157	1,482,982	1,487,211	1,492,207	1,492,207
8% of 1st \$150 mil Annualized HCC	9,156,477	9,328,106	9,511,253	9,656,127	9,734,051	9,848,701	9,900,759	10,408,778	10,470,617	10,511,436	10,493,761	10,387,870	10,387,870
4% of Annualized HCC > \$150 mil	-	-	-	-	-	-	-	-	-	-	-	-	-
4% of Annualized Hospital Exp	5,086,141	5,127,415	5,159,983	5,181,550	5,191,839	5,199,529	5,200,314	5,206,883	5,214,570	5,218,922	5,299,791	5,297,794	5,297,794

Gold Coast Health Plan  
 Monthly Restated Membership Report  
 Month, Year

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Total
<b><u>Aid Category - Members</u></b>													
<b><u>Aid Category - Member Months</u></b>													
Adult/Family	74,480	74,498	74,517	74,535	74,554	74,573	74,591	74,610	74,629	86,647	86,669	90,691	934,994
Aged - Medi-cal	1,214	1,215	1,215	1,215	1,216	1,216	1,216	1,216	1,217	1,217	1,217	1,218	14,592
Disabled - Medi-Cal	7,853	7,855	7,857	7,859	7,861	7,863	7,865	7,867	7,869	7,871	7,873	7,875	94,365
Long Term Care - Medi-Cal	72	72	72	72	72	72	72	72	72	72	72	72	865
Aged - Dual	9,085	9,088	9,090	9,092	9,094	9,097	9,099	9,101	9,103	9,106	9,108	9,110	109,173
Disabled - Dual	7,355	7,357	7,359	7,360	7,362	7,364	7,366	7,368	7,370	7,371	7,373	7,375	88,380
Long Term Care - Dual	910	910	911	911	911	911	912	912	912	912	913	913	10,938
BCCTP	263	263	263	263	263	263	263	264	264	264	264	264	3,161
CBAS	1,000	1,000	1,001	1,001	1,001	1,001	1,002	1,002	1,002	1,002	1,003	1,003	12,017
<b>Total</b>	<b>102,232</b>	<b>102,258</b>	<b>102,283</b>	<b>102,309</b>	<b>102,335</b>	<b>102,360</b>	<b>102,386</b>	<b>102,411</b>	<b>102,437</b>	<b>114,463</b>	<b>114,491</b>	<b>118,520</b>	<b>1,268,485</b>

**Gold Coast Health Plan**

Fiscal Year July 1, 2012 - June 30, 2013

Total Administrative Expense

		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Total	Prior Year
Salaries	7200	307,524	455,794	479,451	479,451	508,531	508,531	508,531	508,531	508,531	508,531	508,531	508,531	5,790,464	3,174,802
Benefits	7400	139,986	198,005	209,726	209,726	222,306	222,306	222,306	222,306	222,306	222,306	222,306	222,306	2,535,893	1,237,959
Temp Labor	7210	35,130	35,130	-	-	-	-	-	-	-	-	-	-	70,260	205,006
EE Recruitment	8410	819	226	1,396	1,699	6,922	3,623	31,439	15,850	4,784	43,479	10,300	10,300	130,835	130,340
Staff Training & Seminars	7500	-	1,463	200	-	-	200	-	1,463	200	-	500	700	4,726	3,607
Conferences	7510	-	600	500	815	500	1,700	300	-	2,500	300	-	400	7,615	1,710
Outside Services - ACS	6070	914,423	914,635	914,846	915,058	915,269	915,481	915,692	915,904	916,116	1,015,553	1,015,790	1,049,101	11,317,868	11,518,211
Outside Services - Scriptcare	6080	256,900	256,964	257,028	257,093	257,157	257,221	257,285	257,350	257,414	275,632	275,701	281,821	3,147,566	2,743,337
Care Management - ACS	6090	198,188	224,445	241,960	250,734	250,766	250,798	250,829	250,861	250,893	265,875	265,910	270,929	2,972,189	2,238,546
Outside Services - RGS	6330	11,450	15,576	-	-	-	-	-	-	-	-	-	-	27,026	112,646
Outside Services - Other	6340	44,697	49,697	7,892	107,962	7,892	12,962	7,962	7,892	7,962	7,892	7,962	7,892	278,664	781,130
Consulting Services	6320	27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	27,340	328,080	478,868
Translation Services	6335	1,411	1,411	1,411	1,412	1,412	1,412	1,412	1,412	1,412	1,472	1,472	1,493	17,142	17,351
Meetings & Events	7520	-	-	-	-	-	-	-	-	-	-	-	-	-	10,218
Travel - Airlines	7600	2,260	2,200	1,000	2,460	1,500	1,500	1,960	1,500	1,500	1,960	1,500	1,200	20,540	10,076
Travel - Hotels	7610	2,750	1,800	1,200	3,400	-	2,400	1,750	-	2,200	1,750	-	2,200	19,450	5,885
Travel - Auto & Transportation	7620	1,407	1,010	605	1,417	1,004	604	1,343	1,014	663	1,346	1,010	605	12,028	12,305
Travel - Meals	7630	1,075	710	475	1,170	210	835	795	210	775	795	210	775	8,035	1,078
Travel - Misc./Tips	7640	150	100	65	150	100	65	150	100	65	150	100	65	1,260	-
Non-Capital Furniture & Equipment	7900	4,109	4,112	4,115	4,118	4,121	4,124	4,128	4,131	4,133	4,137	4,140	4,143	49,511	106,409
Non-Capital Equipment - Computer	7910	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200	49,772
Software Licenses	8020	25,678	25,678	25,678	25,678	25,678	25,678	25,678	25,678	25,678	25,678	25,678	25,678	308,136	78,504
Lease - Office	7700	13,040	13,040	13,040	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	43,000	426,120	150,674
Office & Operating Supplies	7920	4,889	6,440	6,590	6,590	6,590	6,590	6,590	6,590	6,590	6,590	6,590	6,590	77,224	64,486
Shipping & Postage	8000	2,765	625	11,425	625	625	625	11,425	625	625	28,825	11,432	10,032	79,656	32,713
Printing	8010	10,246	2,888	8,988	2,388	2,388	2,388	8,988	2,388	2,388	98,388	9,012	34,412	184,860	31,156
Repairs & Maintenance	8030	626	702	702	702	703	703	703	704	704	705	705	705	8,364	11,560
Telephone Services/Internet Charges	8200	1,887	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	2,089	24,866	34,647
Charitable Contributions	8720	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000
Advertising & Promotions Expense	8400	-	-	-	-	-	-	-	-	-	-	-	-	-	188,729
Insurance	8500	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	39,060	37,965
Legal	6310	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000	85,236
Accounting & Actuarial	6300	7,500	38,500	37,000	37,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	160,000	110,498
Bank Fees	6150	-	-	-	-	-	-	-	-	-	-	-	-	-	1,467
Meals & Entertainment	7530	-	-	-	-	-	-	-	-	-	-	-	-	-	105
Committee & Advisory Fees	6360	2,100	3,550	2,100	2,100	3,550	2,100	2,100	3,550	2,100	2,100	3,550	2,100	31,000	12,350
Professional Dues, Fees, & Licenses	8700	5,076	5,576	5,436	5,076	5,076	5,276	5,076	5,076	5,076	5,076	5,276	5,076	62,172	55,599
Subscriptions & Publications	8710	-	-	-	-	-	-	-	-	-	-	7,000	800	7,800	9,655
Depreciation/ Amortization Expense	7810	1,806	1,806	1,806	1,806	2,139	2,139	2,139	2,139	2,139	2,139	2,139	2,139	24,336	17,873
Interest Expense	8600	13,744	11,363	8,871	7,713	6,579	6,573	5,456	5,450	5,449	5,478	5,558	5,658	87,890	403,350
Contingency	8750	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,200,000	-
<b>Total</b>		<b>2,147,331</b>	<b>2,411,829</b>	<b>2,381,290</b>	<b>2,507,125</b>	<b>2,416,800</b>	<b>2,421,617</b>	<b>2,459,820</b>	<b>2,426,507</b>	<b>2,417,987</b>	<b>2,711,939</b>	<b>2,578,155</b>	<b>2,641,435</b>	<b>29,521,835</b>	<b>24,167,823</b>

Staffing GCHP	47	62	66	66	68	68	68	68	68	68	68	68	68		
Staffing CQS	12	15	17	18	18	18	18	18	18	18	18	18	18		
	59	77	83	84	86	86	86	86	86	86	86	86	86		





## **AGENDA ITEM 4**

**To:** Executive Finance Committee

**From:** Sonia DeMarta, Interim CFO

**Date:** July 19, 2012

**Re:** Search for Office Space

**Recommendation:** The Plan would like to get the authorization of the Commission to select the space and negotiate the lease.

**Background:** GCHP requested a proposal from four local commercial brokers. Two brokers submitted a response and Michael Slater of CBRE was selected.

On May 31<sup>st</sup> Michael Slater and Neal Subic of Subic and Associate Architecture and Planning met with the GCHP leadership staff to discuss their space requirements and configuration.

Essential criterias for the space included:

- The space should be within commutable distance for Members and Employees.
- The space should be accessible from public transportation route.
- There should be enough street level space which could be used as a Member Resource Center.
- The building should be large enough to allow for expansion should the need arise.
- The Landlord should be financially sound so as to be able to cover the cost of leasehold improvements.

It was determined that the Plan would need approximately 22,000 sq. ft. to meet their current needs.

Guillermo Gonzalez and Sonia DeMarta visited approximately 13 sights in Ventura, Oxnard and Camarillo. The choices were narrowed down to the following two locations:

- 2901 N Ventura  
Oxnard, CA
- 3760 Calle Tecate  
Camarillo, CA 93012

**AGENDA ITEM 5**

**To:** Executive Finance Committee  
**From:** Cassie Undlin, Interim CEO  
**Date:** July 19, 2012  
**Re:** Tatum Contract Extension

The current contract expires July 31, 2012. We are requesting the following extensions:

1. Interim CEO and Transition CEO until October 31, 2012, including expenses  
\$150,000
  2. Project Management for Specialty Agreement, (\$250/hr, 160 hrs, including expenses)  
Est. \$45,000
  3. Vendor Contract Management, (\$250/hr, 150 hrs, including expenses)  
Est. \$50,000
- Total                    \$245,000



## **AGENDA ITEM 6**

**To:** Executive Finance Committee  
**From:** Cassie Undlin, Interim CEO  
**Date:** July 19, 2012  
**Re:** Implementation of the Clinicas Specialty Contract

A meeting was convened with Clinicas staff, Gold Coast Staff, ACS Staff and Platinum staff (a vendor of Clinicas) to plan for the implementation of the Specialty Contract. As a result of this meeting a project plan was developed and costs associated with the implementation were also developed.

The attached cost estimate is a result of all parties' requirements. We evaluated the proposals and have made our recommendation on what we think is reasonable. We have not negotiated these differences with the parties.

We are asking for your consideration of the proposed costs and recommendation to the Commission for approval to proceed in the negotiations. We have delineated the Clinicas specific cost with GCHP responsible for the remaining amount.

## Gold Coast Health Plan

### Specialty Contract Implementation Cost

Thursday, July 19, 2012

	Xerox	GCHP	Clinicas	Total
Original Cost Estimate	470,450	212,000	-	682,450
Costs to be included under original contract	(93,200)			(93,200)
Reduction of Project management costs		(120,000)		(120,000)
Duplicative Costs	(78,050)			(78,050)
Total	299,200	92,000	-	391,200
Clinicas specific costs	(55,760)		55,760	-
Revised Cost	243,440	92,000	55,760	391,200
Total to Xerox (GCHP/Clinicas Funded)	299,200			
Total Additional GCHP Resources		92,000		