Ventura County Medi-Cal Managed Care Commission (VCMCC) dba Gold Coast Health Plan
Commission Meeting

2240 E. Gonzales, Suite 200, Oxnard, CA 93036
Monday, May 19, 2014
3:00 p.m.

AGENDA

CALL TO ORDER / ROLL CALL

ELECTION OF TEMPORARY CHAIR

PUBLIC COMMENT A Speaker Card must be completed and submitted to the Clerk of the Board by anyone wishing to comment:
• Public Comment - Comments regarding items not on the agenda but within the subject matter jurisdiction of the Commission.
• Agenda Item Comment - Comments within the subject matter jurisdiction of the Commission pertaining to a specific item on the agenda. The speaker is recognized and introduced by the Commission Chair during Commission’s consideration of the item.

1. APPROVE MINUTES
   a. Regular Meeting of April 24, 2014

2. CONSENT ITEMS
   a. March Financials

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, 711 E. DAILY DRIVE, SUITE #106, CAMARILLO, CA.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT (805) 437-5509. 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 (VCMMCC) dba Gold Coast Health Plan May 19, 2014 Commission Meeting Agenda (continued)
PLACE: 2240 E. Gonzalez, Room 200, Oxnard, CA
TIME: 3:00 p.m.

3. **APPROVAL ITEMS**
   a. Report and Recommendation of Executive / Finance Committee (Nominating Committee) - Election of Chair and Vice-Chair
   b. **Begin Process to Secure Additional Medi-Cal Funds Through an InterGovernmental Transfer (IGT)**
   c. Resolution Amending Personnel Rules, Regulations and Policies
   d. **Adopt Amended Salary Schedule**

4. **ACCEPT AND FILE ITEMS**
   a. **CEO Update**
   b. **COO Update**
   c. **Health Services Update**

5. **INFORMATIONAL ITEMS**
   a. **GCHP Priorities & Initiatives for FY 2014-15 Budget Planning**
   b. **FY 2014-15 Budget Development Process**

**CLOSED SESSION**

a. **Closed Session Conference with Legal Counsel – Anticipated Litigation Pursuant to Government Code Section 54956.9(b) - One Case**

b. **Closed Session pursuant to Government Code Section 54957(e)**
   Public Employee Performance Evaluation
   Title: Chief Executive Officer

c. **Closed Session Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9:**
   i. United States of America et al. ex re Donald Gordon, v. Gold Coast Health Plan, et al, United States District Court, Central District, Case Number: CV 11-5500-IFW (AJWx)
   ii. Sziklai et al. v. Ventura County Medi-Cal Managed Care Commission et al; Ventura County Superior Court, Case Number 56-2012-00428086

Announcement from Closed Session, if any.
COMMENTS FROM COMMISSIONERS

ADJOURNMENT

Unless otherwise determined by the Commission, the next regular meeting of the Commission will be held on June 23, 2014 at 3:00 p.m. at 2240 E. Gonzales Road, Suite 200, Oxnard CA 93036
CALL TO ORDER

Legal Counsel Kierstyn Schreiner called the meeting to order at 3:04 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036 since there was currently a vacancy of the Chair and Vice Chair of the Commission.

SWEAR IN OF NEW COMMISSIONERS

Barry Fisher and Robert Wardwell were sworn in by Clerk of the Board McGinley.

ELECTION OF TEMPORARY CHAIR

Commissioner Foy offered to Chair the Commission Meeting. There being no additional nominations nor objections Commissioner Foy chaired the meeting.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE
Antonio Alatorre, Clinicas del Camino Real, Inc.
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
May Lee Berry, Medi-Cal Beneficiary Advocate
Lanyard Dial, MD, Ventura County Medical Association
Barry Fisher, Ventura County Health Care Agency
Peter Foy, Ventura County Board of Supervisors
David Glyer, Private Hospitals / Healthcare System
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Health Care Agency
Robert Wardwell, Private Hospitals / Healthcare System

STAFF IN ATTENDANCE
Michael Engelhard, Chief Executive Officer
Nancy Kierstyn Schreiner, Legal Counsel
Michelle Raleigh, Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Brandy Armenta, Compliance Director
Sherri Bennett, Network Operations Director
Stacy Diaz, Human Resources Director
Anne Freese, Pharmacy Director
PUBLIC COMMENT

Christina Velasco, CFO of Clinicas del Camino Real CFO, expressed concern with the untimely responses Clinicas has had from Beacon Health Strategies (GCHP’s Managed Behavioral Health Organization Vendor). Clinicas CFO Velasco requested information as to where approximately 300 members referred by GCHP for mild to moderate mental services, as Clinicas did not receive any of those referrals. She also requested assistance from GCHP with Beacon.

COO Watson responded that she would have Network Operations Director Bennett contact regarding this matter and follow up with Clinicas as appropriate.

1. APPROVE MINUTES

a. Special Meeting of March 17, 2014

Legal Counsel Kierstyn Schreiner noted that the vote of Item 2a, Ratification of Lease – 2220 E. Gonzales Road, Suite 200, Oxnard, CA, should be noted be noted as follows:

AYE: Alatorre, Araujo, Dial, Gonzalez, Laba, Pawar and Pupa.
NAY: Berry.
ABSTAIN: None.
ABSENT: Glyer and Harting.
RECUSED: Foy from the vote.

Commissioner Pupa moved to approve the Special Meeting Minutes of March 17, 2014 as amended. Commissioner Araujo seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Berry, Dial, Foy, Glyer, Laba, Pawar and Pupa.
NAY: None.
ABSTAIN: Fisher and Wardwell.
ABSENT: None.

b. Regular Meeting of March 24, 2014

Commissioner Araujo noted that “Special” needed to be deleted in the title Meeting.
Commissioner Araujo moved to approve the Regular Meeting Minutes of March 24, 2014 as amended. Commissioner Pupa seconded. The motion carried with the following votes:

  AYE: Alatorre, Araujo, Berry, Dial, Foy, Glyer, Laba, Pawar and Pupa.
  NAY: None.
  ABSTAIN: Fisher and Wardwell.
  ABSENT: None.

2. CONSENT ITEMS

a. February Financials
Commissioner Pupa moved to approve the February Financials. Commissioner Dial seconded. The motion carried with the following votes:

  NAY: None.
  ABSTAIN: None.
  ABSENT: None.

3. APPROVAL ITEMS

a. DHCS Contract Amendment A11
CEO Engelhard noted that GCHP periodically receives contract amendments from DHCS. He reviewed the proposed changes outlined in Amendment A11. CEO Engelhard reviewed those changes and noted that the proposed rate change impact was already built into the FY 2013-14 revised budget that the Commission approved in January.

Commissioner Dial moved to approve contract amendment A11 and authorize the CEO to execute the DHCS contract amendment. Commissioner Araujo seconded. The motion carried with the following votes:

  NAY: None.
  ABSTAIN: None.
  ABSENT: None.

4. ACCEPT AND FILE ITEMS

a. CEO Update
CEO Engelhard reviewed the written report with the Commission.

Commissioner Alatorre moved Accept and File the CEO Update. Commissioner Berry seconded. The motion carried with the following votes:
NAY: None.
ABSTAIN: None.
ABSENT: None.

b. **COO Update**
COO Watson provided an overview of the report.

Commissioner Glyer moved to Accept and File the COO Update. Commissioner Dial seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: None.

c. **Health Services Update**
Medical Director Health Services Dr. Wharfield provided an overview of the report. In response to a question raised regarding the low number of Grievances and Appeals Dr. Wharfield acknowledged that the numbers seem low state-wide. GCHP is getting additional information to Members regarding their rights and the processes for Grievances and Appeals.

Commissioner Araujo moved to Accept and File the Health Services Update. Commissioner Pupa seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: None.

4. **INFORMATIONAL ITEMS**

a. **Compliance Officer Quarterly Report**
CEO Engelhard noted that this is an information item and unless there were questions he wanted to update the Commission on the Medical Corrective Action Plan.
CLOSED SESSION

Legal Counsel Kierstyn Schreiner noted that Closed Session Item a, was not needed and therefore being pulled from the Agenda.

a. Closed Session Conference with Legal Counsel – Anticipated Litigation Pursuant to Government Code Section 54956.9(b) - One Case

Legal Counsel Kierstyn Schreiner then explained the purpose of the remaining Closed Session Items.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 3:48 p.m. regarding the following items:

b. Closed Session Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9 - Sziklai et al. v. Ventura County Medi-Cal Managed Care Commission et al; Ventura County Superior Court, Case Number 56-2012-00428086

c. Closed Session Pursuant to Government Code Section 54957(b)(1) Public Employment: Title: Chief Executive Officer

d. Closed Session Pursuant to Government Code Section 54957(e) Public Employee Performance Evaluation Title: Chief Executive Performance Officer

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 4:49 p.m.

Legal Counsel Kierstyn Schreiner stated there were no announcements from closed session.

3. APPROVAL ITEMS (Continued)

a. Adoption of Revised Salary Range for CEO

b. Termination of Existing CEO Employment Agreement and Approval of New CEO Employment Agreement

Commissioner Dial moved to terminate the existing CEO Employment Agreement and approve the new CEO Employment Agreement. Commissioner Araujo seconded. The motion carried with the following votes:

NAY: None.
ABSTAIN: None.
ABSENT: None.

COMMENTS FROM COMMISSIONERS

Commissioner Foy commented on the need and importance of establishing a process for goal setting and the evaluation of the CEO. Commissioners Araujo and Pupa agreed

ADJOURNMENT

Meeting adjourned at 4:59 p.m.
AGENDA ITEM 2a

To:    Gold Coast Health Plan Commission
From:  Michelle Raleigh, Chief Financial Officer
Date:  May 19, 2014
Re:    March 2014 Financials

SUMMARY
Staff is presenting the attached March 2014 financial statements of Gold Coast Health Plan (Plan) for review by the Commission. These financials were reviewed by the Executive/Finance Committee on May 7th where the Committee recommended approval of these financials to the Commission.

BACKGROUND / DISCUSSION
The Plan has prepared the March 2014 financial package, including balance sheet, income statements and statements of cash flows.

FISCAL IMPACT

Year-To-Date Results
On a year-to-date basis, the Plan’s net income is approximately $15.6 million compared to $12.7 million assumed in the budget. These operating results have contributed to a Tangible Net Equity (TNE) level of approximately $27.5 million, which exceeds both the budget of $24.5 million by $3.0 million and the State required TNE amount as of March 31st of $15.1 million (84% of $18.0 million, which is the amount needed to achieve 100% of the calculated TNE requirement) by $12.4 million. Please note the following:
1. The Plan’s TNE amount includes $7.2 million in lines of credit with the County of Ventura.
2. On the “Financial Overview” page attached, the YTD TNE excludes the Affordable Care Act (ACA) 1202 funds since the Plan is continuing discussions with the State regarding whether these payments to qualifying providers are actual “pass through” funds, as assumed in the budget.

March 2014 Results
Other items to note for the month include:
Membership - March membership of 136,917 exceeded budget by 2,018 members. This is a 14% increase from the 12/31/13 total of 120,275 and a 35% increase over March 2013 enrollment of 101,443.

Revenue – March net revenue was $37.7 million or $0.6 million less than budget of $38.3 million. On a per member per month (PMPM) basis, net revenue was $275.63 PMPM which was $8.23 PMPM less than budget of $283.84 PMPM. The variance is driven by:

- Membership mix being different than estimated in the budget, primarily driven by lower than expected Adult Expansion membership of approximately 1,600 members below budget, resulting in revenue of approximately $1.1 million lower.
- Gains in other membership categories (particularly Adult/Family and TLIC) helped to mitigate the revenue shortfall with approximately $0.5 million of offsetting revenue gains above budget for those categories.

Health Care Costs – Heath care costs for March were $34.2 million and were $0.3 million better than budget. On a PMPM basis, reported health care costs were $249.87 PMPM versus a budgeted amount of $255.64. Highlights of March variances include:

- Inpatient – The increase was seen mainly in trailing claims for January and February, with more inpatient days than anticipated.
- Long-Term Care – Last month’s accrual for estimated AB1629 rate increases due to selected facilities was updated to also include the March estimate of payment due.
- Outpatient – A slight downward trend since January has occurred. More importantly, a substantial amount of refunds and adjustments related to prior months’ outpatient services was processed in March, leading to reduced reserve calculations.
- Pharmacy – Pharmacy expense have risen substantially, due in part to the new Adult Expansion population and a new Hepatitis C drug (Sovaldi). However, the increase in utilization among the new population has not achieved the rate as expected in the revised budget.

As with February reported financials, the March financials reflect an estimated 85% MLR for pharmacy. However the additional reserve still results in a total expense below budget. Other services will be evaluated as claims data is received. The Plan consulted with its auditing firm and it agreed with the way the Plan is currently reporting this contract provision.
Administrative Expenses – For the month, overall operational costs were $2.2 million or $0.3 million better than budget. The favorable variance resulted primarily from lower than forecasted personnel costs due to timing of new hires versus budget projections. The headcount at March 31st was 112 versus a budget of 132. In addition, a budgeted mailing of address change notices was not required resulting in savings of $75K, resulting in a positive variance in Shipping & Postage.

Cash + Medi-Cal Receivable - The total of Cash and Medi-Cal Premium Receivable balances of $122.3 million reported as of March 31, 2014 included a MCO Tax component amounting to $17.6 million. Excluding the impact of the tax, the total of Cash and Medi-Cal Receivable balance as of March 31, 2014 was $104.7 million, or $14.5 million better than the budgeted level of $86.3 million.

Note that subsequent to closing the books for February, staff found that both the Medi-Cal Receivable and Accrued Premium Tax accounts included approximately $8.1 million that had previously been recorded on the balance sheet. These entries have been reversed in preparing the March 2014 financials. This adjustment had no impact on the Plan’s net income or TNE.

As noted in the Monthly Cash Flow report are provider payments made in March for ACA 1202 and AB85.

As noted previously, the State has not yet been paying GCHP capitation rates that include the new mental health benefit. It is anticipated that payments will begin in the next couple of months, because a temporary rate increase has been included in a recent contract amendment. This is anticipated to be a temporary rate increase until CMS has approved the State mental health rate estimates.

Fixed Assets – Work at the Plan’s new offices at 711 East Daily Drive progressed with substantial completion in April. The move was achieved as planned on April 7th. Capital expenditures for the new facility are expected to be $682,000 and were approved by the Commission in January 2014. The cost incurred through March was approximately $261,883.

RECOMMENDATION
Staff proposes that the Commission approve and accept the March, 2014 financial statements.

CONCURRENCE
Executive / Finance Committee, May 7, 2014

Attachment
March 2014 Financial Package
FINANCIAL PACKAGE
For the month ended March 31, 2014

TABLE OF CONTENTS
• Financial Overview
• Membership
• Income Statement
• PMPM Income Statement by Month
• Paid Claims and IBNP Composition

APPENDIX
• Comparative Balance Sheet
• Cash & Medi-Cal Receivable Trend
• Statement of Cash Flows
• YTD Income Statement
• Total Expenditure Composition
• Pharmacy Cost & Utilization Trends
### Financial Overview

#### Description

<table>
<thead>
<tr>
<th>FY2011-12</th>
<th>FY 2012-13</th>
<th>JUL - SEP</th>
<th>OCT - DEC</th>
<th>FY 2013-14</th>
<th>Jan-14 ADJUSTED*</th>
<th>FEB-14</th>
<th>MAR-14</th>
<th>YTD ADJUSTED**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Member Months</strong></td>
<td>1,258,189</td>
<td>1,223,895</td>
<td>347,079</td>
<td>362,021</td>
<td>127,509</td>
<td>133,041</td>
<td>136,917</td>
<td><strong>1,106,567</strong></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>304,635,932</td>
<td>315,119,611</td>
<td>81,988,709</td>
<td>84,070,456</td>
<td>33,239,770</td>
<td>35,880,456</td>
<td>37,739,031</td>
<td>272,919,951</td>
</tr>
<tr>
<td>pmpm</td>
<td>242.12</td>
<td>257.47</td>
<td>236.23</td>
<td>232.23</td>
<td>224.17</td>
<td>232.65</td>
<td>249.87</td>
<td>215.52</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>94.3%</td>
<td>89.0%</td>
<td>87.7%</td>
<td>86.7%</td>
<td>86.0%</td>
<td>86.3%</td>
<td>90.7%</td>
<td>87.4%</td>
</tr>
<tr>
<td><strong>Health Care Costs</strong></td>
<td>287,353,672</td>
<td>280,382,704</td>
<td>71,875,533</td>
<td>72,867,512</td>
<td>28,583,258</td>
<td>30,952,027</td>
<td>34,211,809</td>
<td>238,490,139</td>
</tr>
<tr>
<td>pmpm</td>
<td>228.39</td>
<td>229.69</td>
<td>207.20</td>
<td>201.26</td>
<td>224.17</td>
<td>232.65</td>
<td>249.87</td>
<td>215.52</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>94.3%</td>
<td>89.0%</td>
<td>87.7%</td>
<td>86.7%</td>
<td>86.0%</td>
<td>86.3%</td>
<td>90.7%</td>
<td>87.4%</td>
</tr>
<tr>
<td><strong>Admin Exp</strong></td>
<td>18,891,320</td>
<td>24,013,927</td>
<td>6,202,007</td>
<td>6,014,475</td>
<td>2,245,874</td>
<td>2,194,133</td>
<td>2,197,102</td>
<td>19,813,593</td>
</tr>
<tr>
<td>pmpm</td>
<td>16.01</td>
<td>19.62</td>
<td>17.87</td>
<td>16.61</td>
<td>16.19</td>
<td>16.05</td>
<td>17.00</td>
<td>17.44</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>6.2%</td>
<td>7.6%</td>
<td>7.0%</td>
<td>6.8%</td>
<td>6.0%</td>
<td>5.6%</td>
<td>6.9%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>(1,609,063)</td>
<td>10,722,980</td>
<td>3,911,169</td>
<td>5,188,469</td>
<td>2,410,637</td>
<td>2,775,825</td>
<td>1,330,120</td>
<td>15,616,219</td>
</tr>
<tr>
<td>pmpm</td>
<td>(1.28)</td>
<td>8.76</td>
<td>11.27</td>
<td>14.33</td>
<td>10.91</td>
<td>20.56</td>
<td>9.71</td>
<td>14.11</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>-0.5%</td>
<td>3.4%</td>
<td>4.2%</td>
<td>6.2%</td>
<td>7.3%</td>
<td>7.7%</td>
<td>3.8%</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

#### Budget Comparison

**Tangible Net Equity (TNE)**

<table>
<thead>
<tr>
<th>FY2011-12</th>
<th>FY 2012-13</th>
<th>JUL - SEP</th>
<th>OCT - DEC</th>
<th>FY 2013-14</th>
<th>Jan-14 ADJUSTED**</th>
<th>FEB-14</th>
<th>MAR-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADJUSTED*</td>
<td>1,104,846</td>
<td>1,106,567</td>
<td>347,079</td>
<td>362,021</td>
<td>127,509</td>
<td>133,041</td>
<td>136,917</td>
</tr>
<tr>
<td>ADJUSTED**</td>
<td>1,106,567</td>
<td>1,106,567</td>
<td>347,079</td>
<td>362,021</td>
<td>127,509</td>
<td>133,041</td>
<td>136,917</td>
</tr>
</tbody>
</table>

Note: TNE amount includes $7.2 million related to the Lines of Credit (LOC) from Ventura County.

* Audited amounts reflect financial adjustments made by auditors, but exclude presentation reclassifications without P&L impact (i.e. reporting package kept the same).

** Adjusted results remove the ACA 1202 payments ($5.2 million) from both revenue and health care costs in order to compare to the budget (since budget assumed these funds were passed through.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>101,44</td>
<td>104,68</td>
<td>105,63</td>
<td>106,19</td>
<td>105,88</td>
<td>120,33</td>
<td>120,86</td>
<td>120,39</td>
<td>121,35</td>
<td>120,27</td>
<td>127,50</td>
<td>133,04</td>
<td>136,91</td>
<td>134,90</td>
</tr>
<tr>
<td>FAMILY</td>
<td>73,894</td>
<td>73,519</td>
<td>73,467</td>
<td>73,103</td>
<td>72,092</td>
<td>71,804</td>
<td>71,916</td>
<td>71,517</td>
<td>72,218</td>
<td>71,944</td>
<td>71,495</td>
<td>73,593</td>
<td>74,978</td>
<td>72,143</td>
</tr>
<tr>
<td>DUALS</td>
<td>17,651</td>
<td>17,747</td>
<td>17,806</td>
<td>17,950</td>
<td>17,899</td>
<td>17,902</td>
<td>17,930</td>
<td>17,893</td>
<td>17,903</td>
<td>17,915</td>
<td>17,938</td>
<td>18,162</td>
<td>18,182</td>
<td>17,982</td>
</tr>
<tr>
<td>SPD</td>
<td>9,323</td>
<td>9,322</td>
<td>9,393</td>
<td>9,236</td>
<td>9,301</td>
<td>9,311</td>
<td>9,397</td>
<td>9,430</td>
<td>9,576</td>
<td>9,509</td>
<td>9,579</td>
<td>9,579</td>
<td>9,635</td>
<td>9,574</td>
</tr>
<tr>
<td>TLIC</td>
<td>575</td>
<td>4,095</td>
<td>4,969</td>
<td>5,904</td>
<td>6,588</td>
<td>21,315</td>
<td>21,624</td>
<td>21,551</td>
<td>21,658</td>
<td>20,907</td>
<td>20,759</td>
<td>22,060</td>
<td>21,636</td>
<td>21,146</td>
</tr>
<tr>
<td>AE</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,801</td>
<td>9,647</td>
<td>12,486</td>
<td>14,055</td>
</tr>
</tbody>
</table>

**Membership - Rolling 12 Months**

- **SPD = Seniors and Persons with Disabilities**
- **TLIC = Targeted Low Income Children**
- **AE = Adult Expansion**
### Income Statement Monthly Trend

#### FY2013-14 Monthly Trend

<table>
<thead>
<tr>
<th></th>
<th>DEC 2013</th>
<th>JAN 2014</th>
<th>FEB 2014</th>
<th>MAR 2014</th>
<th>Variance</th>
<th>Favi/(Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium</td>
<td>$29,047,006</td>
<td>$40,250,143</td>
<td>$37,669,204</td>
<td>$39,652,832</td>
<td>$40,073,630</td>
<td>(420,798)</td>
</tr>
<tr>
<td>Reserve for Rate Reduction</td>
<td>(281,754)</td>
<td>(425,684)</td>
<td>(387,419)</td>
<td>(440,738)</td>
<td>(257,603)</td>
<td>(183,133)</td>
</tr>
<tr>
<td>MCO Premium Tax</td>
<td>(1,100,666)</td>
<td>(1,467,377)</td>
<td>(1,451,360)</td>
<td>(1,529,127)</td>
<td>(1,577,899)</td>
<td>48,772</td>
</tr>
<tr>
<td><strong>Total Net Premium</strong></td>
<td>27,654,585</td>
<td>38,357,083</td>
<td>35,830,427</td>
<td>37,682,970</td>
<td>38,238,128</td>
<td>(555,158)</td>
</tr>
<tr>
<td><strong>Other Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Revenue</strong></td>
<td>50,364</td>
<td>50,021</td>
<td>51,559</td>
<td>56,061</td>
<td>51,157</td>
<td>4,904</td>
</tr>
<tr>
<td><strong>Medical Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient</td>
<td>4,491,812</td>
<td>5,733,670</td>
<td>5,139,891</td>
<td>7,940,779</td>
<td>7,512,141</td>
<td>(428,638)</td>
</tr>
<tr>
<td>LTC/SNF</td>
<td>6,923,947</td>
<td>6,671,300</td>
<td>7,986,436</td>
<td>7,256,361</td>
<td>6,066,456</td>
<td>(1,189,906)</td>
</tr>
<tr>
<td>Outpatient</td>
<td>3,189,204</td>
<td>3,582,927</td>
<td>3,087,728</td>
<td>2,831,325</td>
<td>3,419,904</td>
<td>788,579</td>
</tr>
<tr>
<td>Laboratory and Radiology</td>
<td>111,157</td>
<td>352,687</td>
<td>450,809</td>
<td>459,596</td>
<td>536,348</td>
<td>(73,248)</td>
</tr>
<tr>
<td>Physician ACA 1202</td>
<td>-</td>
<td>5,167,335</td>
<td>104,094</td>
<td>102,189</td>
<td>-</td>
<td>(102,189)</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>729,901</td>
<td>850,311</td>
<td>871,674</td>
<td>975,817</td>
<td>1,058,665</td>
<td>82,848</td>
</tr>
<tr>
<td>Physician Specialty</td>
<td>2,305,009</td>
<td>2,353,215</td>
<td>1,930,722</td>
<td>2,433,750</td>
<td>2,674,527</td>
<td>240,777</td>
</tr>
<tr>
<td>Mental Health Services</td>
<td>-</td>
<td>225,017</td>
<td>233,276</td>
<td>254,043</td>
<td>191,825</td>
<td>(62,218)</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>3,210,998</td>
<td>3,863,088</td>
<td>5,657,345</td>
<td>5,648,117</td>
<td>6,526,499</td>
<td>878,382</td>
</tr>
<tr>
<td>Other Medical Professional</td>
<td>149,068</td>
<td>141,578</td>
<td>192,695</td>
<td>218,265</td>
<td>189,603</td>
<td>(28,662)</td>
</tr>
<tr>
<td>Other Medical Care</td>
<td>3,608</td>
<td>(1,935)</td>
<td>-</td>
<td>3,645</td>
<td>-</td>
<td>(3,645)</td>
</tr>
<tr>
<td>Other Fee For Service</td>
<td>1,645,707</td>
<td>2,353,215</td>
<td>1,930,722</td>
<td>2,433,750</td>
<td>2,674,527</td>
<td>240,777</td>
</tr>
<tr>
<td>Transportation</td>
<td>67,551</td>
<td>68,625</td>
<td>83,111</td>
<td>79,919</td>
<td>89,406</td>
<td>9,484</td>
</tr>
<tr>
<td><strong>Total Claims</strong></td>
<td>22,827,961</td>
<td>31,859,823</td>
<td>28,580,399</td>
<td>31,404,220</td>
<td>31,695,434</td>
<td>291,214</td>
</tr>
<tr>
<td><strong>Medical &amp; Care Management Expense</strong></td>
<td>830,783</td>
<td>824,092</td>
<td>774,656</td>
<td>826,659</td>
<td>914,815</td>
<td>86,209</td>
</tr>
<tr>
<td>Reinsurance</td>
<td>(1,553,135)</td>
<td>(395,380)</td>
<td>104,962</td>
<td>308,761</td>
<td>206,395</td>
<td>(102,366)</td>
</tr>
<tr>
<td>Claims Recoveries</td>
<td>(259,182)</td>
<td>(147,503)</td>
<td>(187,358)</td>
<td>(33,912)</td>
<td>-</td>
<td>33,912</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>(981,537)</td>
<td>281,209</td>
<td>692,263</td>
<td>1,034,655</td>
<td>1,121,210</td>
<td>17,755</td>
</tr>
<tr>
<td><strong>Total Cost of Health Care</strong></td>
<td>23,456,586</td>
<td>33,750,593</td>
<td>30,952,027</td>
<td>34,211,809</td>
<td>34,485,572</td>
<td>273,763</td>
</tr>
<tr>
<td><strong>Contribution Margin</strong></td>
<td>4,248,363</td>
<td>4,656,511</td>
<td>4,929,959</td>
<td>3,527,222</td>
<td>3,803,713</td>
<td>(276,491)</td>
</tr>
<tr>
<td><strong>General &amp; Administrative Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>592,047</td>
<td>596,197</td>
<td>577,942</td>
<td>584,952</td>
<td>656,716</td>
<td>71,764</td>
</tr>
<tr>
<td>Payroll Taxes and Benefits</td>
<td>151,109</td>
<td>187,617</td>
<td>90,406</td>
<td>144,143</td>
<td>153,081</td>
<td>8,938</td>
</tr>
<tr>
<td>Travel and Training</td>
<td>4,315</td>
<td>4,276</td>
<td>9,270</td>
<td>7,364</td>
<td>13,724</td>
<td>6,360</td>
</tr>
<tr>
<td>Outside Service - ACS</td>
<td>940,933</td>
<td>968,191</td>
<td>1,024,650</td>
<td>1,044,479</td>
<td>1,061,030</td>
<td>16,624</td>
</tr>
<tr>
<td>Outside Services - Other</td>
<td>19,158</td>
<td>79,142</td>
<td>180,177</td>
<td>82,663</td>
<td>103,154</td>
<td>20,491</td>
</tr>
<tr>
<td>Accounting &amp; Actuarial Services</td>
<td>12,500</td>
<td>56,250</td>
<td>14,226</td>
<td>29,239</td>
<td>13,333</td>
<td>(15,905)</td>
</tr>
<tr>
<td>Legal</td>
<td>88,066</td>
<td>114,004</td>
<td>47,032</td>
<td>71,044</td>
<td>36,340</td>
<td>(34,704)</td>
</tr>
<tr>
<td>Insurance</td>
<td>13,265</td>
<td>9,615</td>
<td>12,477</td>
<td>12,120</td>
<td>10,792</td>
<td>(1,328)</td>
</tr>
<tr>
<td>Lease Expense - Office</td>
<td>25,980</td>
<td>28,480</td>
<td>28,979</td>
<td>28,979</td>
<td>38,480</td>
<td>9,501</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>42,604</td>
<td>46,831</td>
<td>53,700</td>
<td>57,009</td>
<td>94,977</td>
<td>37,882</td>
</tr>
<tr>
<td>Translation Services</td>
<td>3,602</td>
<td>8,387</td>
<td>2,554</td>
<td>5,197</td>
<td>2,417</td>
<td>(2,780)</td>
</tr>
<tr>
<td>Advertising and Promotion</td>
<td>1,883</td>
<td>-</td>
<td>790</td>
<td>(790)</td>
<td>23,110</td>
<td>23,900</td>
</tr>
<tr>
<td>General Office</td>
<td>115,766</td>
<td>96,638</td>
<td>83,285</td>
<td>73,897</td>
<td>122,066</td>
<td>48,168</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>7,015</td>
<td>7,015</td>
<td>7,015</td>
<td>7,015</td>
<td>34,708</td>
<td>27,693</td>
</tr>
<tr>
<td>Printing</td>
<td>2,022</td>
<td>10,344</td>
<td>862</td>
<td>21,503</td>
<td>10,456</td>
<td>(11,047)</td>
</tr>
<tr>
<td>Shipping &amp; Postage</td>
<td>562</td>
<td>14,021</td>
<td>5,822</td>
<td>464</td>
<td>77,995</td>
<td>77,531</td>
</tr>
<tr>
<td>Interest</td>
<td>18,828</td>
<td>18,873</td>
<td>14,746</td>
<td>27,738</td>
<td>10,881</td>
<td>(16,842)</td>
</tr>
<tr>
<td><strong>Total G &amp; A Expenses</strong></td>
<td>2,039,656</td>
<td>2,245,874</td>
<td>2,154,133</td>
<td>2,197,102</td>
<td>2,463,549</td>
<td>266,446</td>
</tr>
<tr>
<td><strong>Net Income / (Loss)</strong></td>
<td>$2,208,708</td>
<td>$2,410,637</td>
<td>$2,775,825</td>
<td>$1,340,165</td>
<td>$1,340,165</td>
<td>(10,045)</td>
</tr>
</tbody>
</table>
## PMPM Income Statement Comparison

<table>
<thead>
<tr>
<th></th>
<th>DEC 2013</th>
<th>JAN 2014</th>
<th>FEB 2014</th>
<th>MAR 2014 Actual</th>
<th>Budget</th>
<th>Variance Fav/(Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership (includes retro members)</td>
<td>120,275</td>
<td>127,509</td>
<td>133,041</td>
<td>136,917</td>
<td>134,899</td>
<td>2,018</td>
</tr>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Premium</td>
<td>241.50</td>
<td>283.14</td>
<td>283.14</td>
<td>289.61</td>
<td>297.06</td>
<td>(7.45)</td>
</tr>
<tr>
<td>Reserve for Rate Reduction</td>
<td>(2.34)</td>
<td>(2.91)</td>
<td>(2.91)</td>
<td>(3.22)</td>
<td>(1.91)</td>
<td>(1.31)</td>
</tr>
<tr>
<td>MCO Premium Tax</td>
<td>(9.23)</td>
<td>(10.91)</td>
<td>(10.91)</td>
<td>(11.17)</td>
<td>(11.70)</td>
<td>0.53</td>
</tr>
<tr>
<td>Total Net Premium</td>
<td>229.93</td>
<td>269.32</td>
<td>269.32</td>
<td>275.22</td>
<td>283.46</td>
<td>(8.23)</td>
</tr>
<tr>
<td><strong>Other Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>0.10</td>
<td>0.11</td>
<td>0.11</td>
<td>0.13</td>
<td>0.10</td>
<td>0.03</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>0.32</td>
<td>0.28</td>
<td>0.28</td>
<td>0.28</td>
<td>0.28</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Total Other Revenue</td>
<td>0.42</td>
<td>0.39</td>
<td>0.39</td>
<td>0.41</td>
<td>0.51</td>
<td>(0.10)</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>230.35</td>
<td>269.71</td>
<td>269.71</td>
<td>275.63</td>
<td>283.84</td>
<td>(8.20)</td>
</tr>
<tr>
<td><strong>Medical Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cost of Health Care</td>
<td>195.02</td>
<td>232.65</td>
<td>232.65</td>
<td>249.87</td>
<td>255.64</td>
<td>5.77</td>
</tr>
<tr>
<td><strong>Contribution Margin</strong></td>
<td>35.32</td>
<td>37.06</td>
<td>37.06</td>
<td>25.76</td>
<td>28.20</td>
<td>(2.44)</td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>4.92</td>
<td>4.34</td>
<td>4.34</td>
<td>4.27</td>
<td>4.87</td>
<td>0.60</td>
</tr>
<tr>
<td>Payroll Taxes and Benefits</td>
<td>1.26</td>
<td>0.68</td>
<td>0.68</td>
<td>1.05</td>
<td>1.13</td>
<td>0.08</td>
</tr>
<tr>
<td>Travel and Training</td>
<td>0.04</td>
<td>0.07</td>
<td>0.07</td>
<td>0.05</td>
<td>0.10</td>
<td>0.05</td>
</tr>
<tr>
<td>Outside Service - ACS</td>
<td>7.82</td>
<td>7.70</td>
<td>7.70</td>
<td>7.63</td>
<td>7.87</td>
<td>0.24</td>
</tr>
<tr>
<td>Outside Services - Other</td>
<td>0.16</td>
<td>1.35</td>
<td>1.35</td>
<td>0.60</td>
<td>0.76</td>
<td>0.16</td>
</tr>
<tr>
<td>Accounting &amp; Actuarial Services</td>
<td>0.10</td>
<td>0.11</td>
<td>0.11</td>
<td>0.21</td>
<td>0.10</td>
<td>(0.11)</td>
</tr>
<tr>
<td>Legal</td>
<td>0.73</td>
<td>0.35</td>
<td>0.35</td>
<td>0.52</td>
<td>0.27</td>
<td>(0.25)</td>
</tr>
<tr>
<td>Insurance</td>
<td>0.11</td>
<td>0.09</td>
<td>0.09</td>
<td>0.09</td>
<td>0.08</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Lease Expense - Office</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
<td>0.21</td>
<td>0.29</td>
<td>0.07</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>0.35</td>
<td>0.40</td>
<td>0.40</td>
<td>0.42</td>
<td>0.70</td>
<td>0.29</td>
</tr>
<tr>
<td>Translation Services</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
<td>0.04</td>
<td>0.02</td>
<td>(0.02)</td>
</tr>
<tr>
<td>Advertising and Promotion</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
<td>(0.01)</td>
<td>0.17</td>
<td>0.18</td>
</tr>
<tr>
<td>General Office</td>
<td>0.96</td>
<td>0.63</td>
<td>0.63</td>
<td>0.54</td>
<td>0.90</td>
<td>0.37</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>0.06</td>
<td>0.05</td>
<td>0.05</td>
<td>0.05</td>
<td>0.26</td>
<td>0.21</td>
</tr>
<tr>
<td>Printing</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
<td>0.16</td>
<td>0.08</td>
<td>(0.08)</td>
</tr>
<tr>
<td>Shipping &amp; Postage</td>
<td>0.00</td>
<td>0.04</td>
<td>0.04</td>
<td>0.00</td>
<td>0.58</td>
<td>0.57</td>
</tr>
<tr>
<td>Interest</td>
<td>0.16</td>
<td>0.11</td>
<td>0.11</td>
<td>0.20</td>
<td>0.08</td>
<td>(0.12)</td>
</tr>
<tr>
<td>Total G &amp; A Expenses</td>
<td>16.96</td>
<td>16.19</td>
<td>16.19</td>
<td>16.05</td>
<td>18.26</td>
<td>2.22</td>
</tr>
<tr>
<td><strong>Net Income / (Loss)</strong></td>
<td>18.36</td>
<td>20.86</td>
<td>20.86</td>
<td>9.71</td>
<td>9.93</td>
<td>(0.22)</td>
</tr>
</tbody>
</table>
For the month ended February 28, 2014

Note:

Paid Claims Composition
- reflects adjusted medical claims payment lag schedule.

* Months indicated with 5* represent months for which there were 5 claim payments. For all other months, 4 claim payments were made.

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

### IBNP Composition (excluding Pharmacy and Capitation)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Unpaid</td>
<td>40.61</td>
<td>42.78</td>
<td>42.86</td>
<td>49.73</td>
<td>56.40</td>
<td>63.24</td>
</tr>
<tr>
<td>Prior Month Unpaid</td>
<td>24.70</td>
<td>21.17</td>
<td>26.18</td>
<td>28.39</td>
<td>33.58</td>
<td>40.10</td>
</tr>
<tr>
<td>Current Month Unpaid</td>
<td>15.91</td>
<td>19.61</td>
<td>16.69</td>
<td>21.34</td>
<td>22.82</td>
<td>23.14</td>
</tr>
</tbody>
</table>

Note: IBNP Composition - reflects updated medical cost reserve calculation plus total system claims payable.
For the month ended March 31, 2014

APPENDIX

- Comparative Balance Sheet
- Cash & Medi-Cal Receivable Trend
- Statements of Cash Flow
- YTD Income Statement
- Total Expenditure Composition
- Pharmacy Cost & Utilization Trends
Comparative Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>3/31/14</th>
<th>2/28/14</th>
<th>Audited FY 2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cash and Cash Equivalents</td>
<td>$73,664,068</td>
<td>$68,790,390</td>
<td>$50,817,760</td>
</tr>
<tr>
<td>Medi-Cal Receivable*</td>
<td>48,613,745</td>
<td>52,050,271</td>
<td>11,683,076</td>
</tr>
<tr>
<td>Provider Receivable</td>
<td>150,150</td>
<td>425,870</td>
<td>1,161,379</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>173,318</td>
<td>178,153</td>
<td>300,397</td>
</tr>
<tr>
<td>Total Accounts Receivable</td>
<td>48,937,213</td>
<td>52,654,294</td>
<td>13,144,852</td>
</tr>
<tr>
<td>Total Prepaid Accounts</td>
<td>623,292</td>
<td>720,548</td>
<td>324,419</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>299,093</td>
<td>251,438</td>
<td>10,000</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>123,523,665</td>
<td>122,416,670</td>
<td>64,297,030</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>1,364,847</td>
<td>1,234,241</td>
<td>230,913</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$124,888,513</td>
<td>$123,650,911</td>
<td>$64,527,943</td>
</tr>
</tbody>
</table>

| **LIABILITIES & FUND BALANCE** |         |         |                    |
| **Current Liabilities**       |         |         |                    |
| Incurred But Not Reported     | $61,100,924 | $53,809,826 | $29,901,103 |
| Claims Payable                | 7,509,972  | 6,477,413  | 9,748,676  |
| Capitation Payable            | 1,388,007  | 1,366,703  | 1,002,623  |
| Physician ACA 1202 Payable    | 3,357,133  | 5,271,429  | - |
| AB85 Payable                  | 525,951    | 735,137    | - |
| Accrued Premium Reduction     | 2,096,754  | 1,656,018  | - |
| Accounts Payable              | 208,214    | 238,242    | 1,751,419  |
| Accrued ACS                   | 1,023,582  | 1,095,479  | 422,138   |
| Accrued Expenses              | 911,980    | 1,023,244  | 477,477   |
| Accrued Premium Tax*          | 17,616,483 | 24,146,001 | 7,337,759  |
| Accrued Interest Payable      | 35,207     | 33,466     | 9,712     |
| Current Portion of Deferred Revenue | 460,000 | 460,000 | 460,000 |
| Accrued Payroll Expense       | 571,987    | 547,421    | 605,937   |
| Total Current Liabilities     | 96,806,193 | 96,860,378 | $51,716,843 |
| **Long-Term Liabilities**     |         |         |                    |
| Deferred Revenue - Long Term Portion | 575,000 | 613,333 | 920,000 |
| Notes Payable                | 7,200,000  | 7,200,000  | 7,200,000 |
| Total Long-Term Liabilities  | 7,775,000  | 7,813,333  | 8,120,000 |
| **Total Liabilities**         | 104,581,193 | 104,673,711 | 59,836,843 |
| Beginning Fund Balance        | 4,691,101  | 4,691,101  | (6,031,881) |
| Net Income Current Year       | 15,616,219 | 14,286,099 | 10,722,981 |
| **Total Fund Balance**        | 20,307,320 | 18,977,200 | 4,691,100 |
| **Total Liabilities & Fund Balance** | $124,888,513 | $123,650,911 | $64,527,943 |

*Note: Feb'14 balances include anticipated MCO Tax, reversed in March

**FINANCIAL INDICATORS**

<table>
<thead>
<tr>
<th>Category</th>
<th>3/31/14</th>
<th>2/28/14</th>
<th>Audited FY 2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>1.28 : 1</td>
<td>1.26 : 1</td>
<td>1.24 : 1</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>61</td>
<td>62</td>
<td>58</td>
</tr>
<tr>
<td>Days Cash + State Capitation Receivable</td>
<td>101</td>
<td>110</td>
<td>72</td>
</tr>
<tr>
<td>Days Cash + State Capitation Rec (less Tax Liab)</td>
<td>86</td>
<td>88</td>
<td>63</td>
</tr>
</tbody>
</table>
Cash + Medi-Cal Receivable Trend ($ in Millions)
(Net of MCO Tax Liability and excludes pass-through funds)

FY2013-14
Reported
$104.24
FY2013-14
Budget
$86.34
FY2012-13
$45.88

Jul Aug Sep Oct Nov Dec Jan Feb Mar

$56.08 $60.56 $63.04 $64.37 $66.74 $71.24 $72.08 $78.21 $82.21 $86.34 $44.51 $46.81 $42.41 $36.35 $38.13 $38.56 $43.62
Statement of Cash Flows - Monthly

<table>
<thead>
<tr>
<th>Cash Flow From Operating Activities</th>
<th>MAR '14</th>
<th>FEB '14</th>
<th>JUN'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collected Premium</td>
<td>$35,133,669</td>
<td>$47,761,779</td>
<td>$52,138,834</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>17,728</td>
<td>14,273</td>
<td>8,594</td>
</tr>
<tr>
<td>State Pass Through Funds</td>
<td>423,117</td>
<td>342,152</td>
<td>34,346,474</td>
</tr>
<tr>
<td>Paid Claims</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical &amp; Hospital Expenses</td>
<td>(20,564,629)</td>
<td>(15,766,152)</td>
<td>(17,277,826)</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>(4,562,358)</td>
<td>(4,420,992)</td>
<td>(4,009,168)</td>
</tr>
<tr>
<td>Capitation</td>
<td>(1,689,109)</td>
<td>(1,601,382)</td>
<td>(1,162,302)</td>
</tr>
<tr>
<td>Reinsurance of Claims</td>
<td>(308,761)</td>
<td>(308,946)</td>
<td>(240,430)</td>
</tr>
<tr>
<td>State Pass Through Funds Distributed</td>
<td>(735,259)</td>
<td>(34,346,474)</td>
<td></td>
</tr>
<tr>
<td>Paid Administration</td>
<td>(2,674,644)</td>
<td>(1,509,345)</td>
<td>(2,616,623)</td>
</tr>
<tr>
<td>MCO Tax Received / (Paid)</td>
<td>-</td>
<td>-</td>
<td>829,564</td>
</tr>
<tr>
<td>Net Cash Provided/ (Used) by Operating Activities</td>
<td>5,039,755</td>
<td>24,511,385</td>
<td>27,670,643</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flow From Investing/Financing Activities</th>
<th>MAR '14</th>
<th>FEB '14</th>
<th>JUN'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Line of Credit</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repayments on Line of Credit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Acquisition of Property/Equipment</td>
<td>(166,076)</td>
<td>(64,987)</td>
<td>(31,026)</td>
</tr>
<tr>
<td>Net Cash Provided/(Used) by Investing/Financing</td>
<td>(166,076)</td>
<td>(64,987)</td>
<td>(31,026)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Cash Flow</th>
<th>MAR '14</th>
<th>FEB '14</th>
<th>JUN'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents (Beg. of Period)</td>
<td>68,790,390</td>
<td>44,343,991</td>
<td>23,068,235</td>
</tr>
<tr>
<td>Cash and Cash Equivalents (End of Period)</td>
<td>73,664,068</td>
<td>68,790,390</td>
<td>50,817,760</td>
</tr>
<tr>
<td>Net Cash Flow</td>
<td>$4,873,678</td>
<td>$24,446,398</td>
<td>$27,639,617</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjustment to Reconcile Net Income to Net Cash Flow</th>
<th>MAR '14</th>
<th>FEB '14</th>
<th>JUN'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (Loss) Income</td>
<td>1,330,120</td>
<td>2,775,825</td>
<td>4,109,976</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>35,470</td>
<td>35,321</td>
<td>11,407</td>
</tr>
<tr>
<td>Decrease/(Increase) in Receivables</td>
<td>3,717,081</td>
<td>1,654,180</td>
<td>22,788,941</td>
</tr>
<tr>
<td>Decrease/(Increase) in Prepaid &amp; Other Current Asse</td>
<td>49,602</td>
<td>(79,327)</td>
<td>769,972</td>
</tr>
<tr>
<td>(Decrease)/Increase in Payables</td>
<td>(1,869,629)</td>
<td>2,301,865</td>
<td>(1,578,838)</td>
</tr>
<tr>
<td>(Decrease)/Increase in Other Liabilities</td>
<td>(38,333)</td>
<td>(38,333)</td>
<td>(121,667)</td>
</tr>
<tr>
<td>Change in MCO Tax Liability</td>
<td>(6,529,517)</td>
<td>9,560,469</td>
<td>1,433,012</td>
</tr>
<tr>
<td>Changes in Claims and Capitation Payable</td>
<td>1,053,864</td>
<td>324,792</td>
<td>1,913,029</td>
</tr>
<tr>
<td>Changes in IBNR</td>
<td>7,291,098</td>
<td>7,976,594</td>
<td>(1,655,189)</td>
</tr>
<tr>
<td>Net Cash Flow from Operating Activities</td>
<td>$5,039,755</td>
<td>$24,511,385</td>
<td>$27,670,643</td>
</tr>
</tbody>
</table>
# Statement of Cash Flows - YTD

**MAR 2014 YTD**

**Cash Flow From Operating Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collected Premium</td>
<td>$253,816,400</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>108,204</td>
</tr>
<tr>
<td>State Pass Through Funds</td>
<td>61,939,223</td>
</tr>
</tbody>
</table>

**Paid Claims**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical &amp; Hospital Expenses</td>
<td>(156,209,183)</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>(33,509,882)</td>
</tr>
<tr>
<td>Capitation</td>
<td>(13,726,589)</td>
</tr>
<tr>
<td>Reinsurance of Claims</td>
<td>(2,529,292)</td>
</tr>
<tr>
<td>State Pass Through Funds Distributed</td>
<td>(60,695,114)</td>
</tr>
<tr>
<td>Payment of Withhold / Risk Sharing Incentive</td>
<td>-</td>
</tr>
<tr>
<td>Paid Administration</td>
<td>(24,216,459)</td>
</tr>
<tr>
<td>Repay Initial Net Liabilities</td>
<td>-</td>
</tr>
<tr>
<td>MCO Taxes Received / (Paid)</td>
<td>(826,566)</td>
</tr>
</tbody>
</table>

**Net Cash Provided/(Used) by Operating Activities**

$24,150,740

**Cash Flow From Investing/Financing Activities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Line of Credit</td>
<td>-</td>
</tr>
<tr>
<td>Repayments on Line of Credit</td>
<td>-</td>
</tr>
<tr>
<td>Net Acquisition of Property/Equipment</td>
<td>(1,304,431)</td>
</tr>
</tbody>
</table>

**Net Cash Provided/(Used) by Investing/Financing**

(1,304,431)

**Net Cash Flow**

$22,846,308

**Net Cash Flow from Operating Activities**

$24,150,740

**Cash and Cash Equivalents (Beg. of Period)**

50,817,760

**Cash and Cash Equivalents (End of Period)**

73,664,068

**Adjustment to Reconcile Net Income to Net Cash Flow**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income/(Loss)</td>
<td>15,616,219</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>171,652</td>
</tr>
<tr>
<td>Decrease/(Increase) in Receivables</td>
<td>(35,792,361)</td>
</tr>
<tr>
<td>Decrease/(Increase) in Prepads &amp; Other Current Assets</td>
<td>(587,966)</td>
</tr>
<tr>
<td>(Decrease)/Increase in Payables</td>
<td>5,464,125</td>
</tr>
<tr>
<td>(Decrease)/Increase in Other Liabilities</td>
<td>(346,155)</td>
</tr>
<tr>
<td>Change in MCO Tax Liability</td>
<td>10,278,724</td>
</tr>
<tr>
<td>Changes in Claims and Capitation Payable</td>
<td>(1,853,320)</td>
</tr>
<tr>
<td>Changes in IBNR</td>
<td>31,199,821</td>
</tr>
</tbody>
</table>

24,150,740

**Net Cash Flow from Operating Activities**

$24,150,740
# Income Statement

**For The Nine Months Ended March 31, 2014**

<table>
<thead>
<tr>
<th>Membership (includes retro members)</th>
<th>Mar '14 Year-To-Date</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
</tr>
<tr>
<td></td>
<td>1,106,567</td>
<td>1,104,846</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>$ 290,786,708</td>
<td>$ 287,270,543</td>
</tr>
<tr>
<td>Reserve for Rate Reduction</td>
<td>(2,096,754)</td>
<td>(1,592,261)</td>
</tr>
<tr>
<td>MCO Premium Tax</td>
<td>(11,054,825)</td>
<td>(11,130,977)</td>
</tr>
<tr>
<td><strong>Total Net Premium</strong></td>
<td>277,635,129</td>
<td>274,547,305</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Revenue:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>108,203</td>
<td>96,952</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>343,953</td>
<td>345,000</td>
</tr>
<tr>
<td><strong>Total Other Revenue</strong></td>
<td>452,157</td>
<td>441,952</td>
</tr>
</tbody>
</table>

| Total Revenue                         | 278,087,286          | 274,989,257| 3,098,029   |

<table>
<thead>
<tr>
<th>Medical Expenses:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitation (PCP, Specialty, Kaiser, NEMT &amp; Vision)</td>
<td>14,128,022</td>
<td>14,131,203</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FFS Claims Expenses:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient</td>
<td>47,587,418</td>
<td>50,006,978</td>
</tr>
<tr>
<td>LTC/SNF</td>
<td>63,856,647</td>
<td>58,616,012</td>
</tr>
<tr>
<td>Outpatient</td>
<td>26,455,945</td>
<td>26,715,324</td>
</tr>
<tr>
<td>Laboratory and Radiology</td>
<td>2,207,398</td>
<td>2,253,182</td>
</tr>
<tr>
<td>Physician ACA 1202</td>
<td>5,373,618</td>
<td>(5,373,618)</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>7,110,445</td>
<td>7,226,636</td>
</tr>
<tr>
<td>Mental Health Services</td>
<td>712,336</td>
<td>575,323</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>34,556,609</td>
<td>37,352,163</td>
</tr>
<tr>
<td>Other Medical Professional</td>
<td>1,418,258</td>
<td>1,344,111</td>
</tr>
<tr>
<td>Other Medical Care</td>
<td>6,939</td>
<td>-</td>
</tr>
<tr>
<td>Other Fee For Service</td>
<td>18,673,048</td>
<td>18,905,026</td>
</tr>
<tr>
<td>Transportation</td>
<td>732,949</td>
<td>752,376</td>
</tr>
<tr>
<td><strong>Total Claims</strong></td>
<td>226,434,140</td>
<td>222,744,329</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Medical &amp; Care Management Expense</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinsurance</td>
<td>(1,684,239)</td>
<td>(890,883)</td>
</tr>
<tr>
<td>Claims Recoveries</td>
<td>(2,159,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>3,095,311</td>
<td>6,186,470</td>
</tr>
</tbody>
</table>

| Total Cost of Health Care            | 243,657,474          | 243,062,002| (595,472)   |
| Contribution Margin                  | 34,429,812           | 31,927,254| 2,502,557   |

<table>
<thead>
<tr>
<th>General &amp; Administrative Expenses:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>4,861,002</td>
<td>4,966,341</td>
</tr>
<tr>
<td>Payroll Taxes and Benefits</td>
<td>1,167,013</td>
<td>1,167,463</td>
</tr>
<tr>
<td>Travel and Training</td>
<td>70,235</td>
<td>120,401</td>
</tr>
<tr>
<td>Outside Service - ACS</td>
<td>8,772,989</td>
<td>8,751,202</td>
</tr>
<tr>
<td>Outside Services - Other</td>
<td>486,526</td>
<td>410,095</td>
</tr>
<tr>
<td>Accounting &amp; Actuarial Services</td>
<td>221,328</td>
<td>169,946</td>
</tr>
<tr>
<td>Legal</td>
<td>573,052</td>
<td>398,267</td>
</tr>
<tr>
<td>Insurance</td>
<td>106,998</td>
<td>102,689</td>
</tr>
<tr>
<td>Lease Expense - Office</td>
<td>246,341</td>
<td>267,843</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>940,397</td>
<td>1,131,796</td>
</tr>
<tr>
<td>Translation Services</td>
<td>36,049</td>
<td>25,976</td>
</tr>
<tr>
<td>Advertising and Promotion</td>
<td>24,069</td>
<td>111,617</td>
</tr>
<tr>
<td>General Office</td>
<td>797,232</td>
<td>906,772</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>59,053</td>
<td>118,157</td>
</tr>
<tr>
<td>Printing</td>
<td>91,238</td>
<td>160,486</td>
</tr>
<tr>
<td>Shipping &amp; Postage</td>
<td>46,928</td>
<td>186,267</td>
</tr>
<tr>
<td>Interest</td>
<td>797,232</td>
<td>906,772</td>
</tr>
</tbody>
</table>

| Total G & A Expenses                 | 18,813,593           | 19,269,402| 455,810     |

| Net Income / (Loss)                  | 15,616,219           | 12,657,852| 2,958,367   |
In May 2013, GCHP changed its method of distributing Health Care Costs (HCC) across categories of service. Prior months utilized an allocation methodology. The methodology was updated to utilize payment information by different categories of services. Further changes have been made with the assumption of the TLIC population and its affect on various categories of service. Therefore, the months of May - August represent the transitioning to a new methodology.

Beginning January 2014, "Other" category includes ACA 1202 physician supplement and mental health expenses.
AGENDA ITEM 3b

To:         Gold Coast Health Plan Commission
From:      Michael Engelhard, Chief Executive Officer
Date:     May 19, 2014
RE:      Begin Process to Secure Additional Medi-Cal Funds Through an Intergovernmental Transfer (IGT)

SUMMARY:
Authorize and direct the Chief Executive Officer to submit proposal to the California Department of Health Care Services (DHCS) to bring the process to secure additional Medi-Cal Funds through an Intergovernmental Transfer (IGT). The proposal would include a voluntary letter of interest and additional documentation from the funding entity (i.e., Ventura County Medical Center (VCMC) or other appropriate County agency).

BACKGROUND:
Intergovernmental Transfers (IGTs) are a mechanism for Medi-Cal managed care plans, counties and certain types of public hospitals to work with the State of California in order to bring federal Medicaid matching dollars to the local level.

To accomplish an IGT, a “funding entity” provides funds to the State Department of Health Care Services (DHCS). A funding entity can be counties, cities and State University teaching hospitals, or any other political subdivision of the State, as long as they meet the requirements as defined by 42 C.F.R. Section 433.50 for the funding of IGTs. The federal government then matches those funds according to a set formula. The State uses these combined funds to increase the rates it pays to the local Medi-Cal managed care plan consistent with the Plan’s actuarially determined payment rates. The funding entity recoups the original outlay of funds and the federal match to those funds.

DISCUSSION:
The proposed IGT is expected to be structured similar to the FY 2011-12 IGT and involve an initial transfer of funds from the funding entity to DHCS. The DHCS would then use a portion of these funds to leverage a federal match at the Federal Medical Assistance Percentages (FMAP) rate in effect during Fiscal Year 2012-13. A portion of the funds (20%) would be paid to DHCS as an assessment fee. Subsequently, Gold Coast Health Plan (GCHP or Plan) would receive an increased capitation via a rate amendment to the Primary Agreement between GCHP and DHCS. The Plan would return the funds received via the increased capitation rate to the funding entity, after withholding amounts for MCO taxes (2.35%) and GCHP’s administrative fee (expected to be 2%).
GCHP received a letter from DHCS on May 13, 2014 (dated May 7, 2014) that required the Plan and funding entities to provide the required materials within 24 days from the date of the letter, or no later than May 31, 2014. GCHP would need to provide the State with a proposal by May 31, 2014 that would include:

- the Plan’s contact person, funding entity and participation levels (i.e., expected percentage of dollars to fund), and
- the funding entity’s voluntary letter of interest and some additional documentation regarding the Medi-Cal members served and scope of services.

Terms and conditions and final funding amounts will be presented to the Commission at a later date for approval.

**FISCAL IMPACT:**
The impact to the Plan’s FY 2014-15 revenue due to the FY 2012-13 IGT is estimated to be $520,000.

**RECOMMENDATION:**
Subject to review by legal counsel, authorize and direct the Chief Executive Officer to provide DHCS with a proposal (including information from the funding entity) to the State of California.

**CONCURRENCE:**
N/A.

**Attachments:**
None.
AGENDA ITEM 3c

To: Gold Coast Health Plan Commissioners

From: Stacy Diaz, Director, Human Resources
       Michael Engelhard, Chief Executive Officer

Date: May 19, 2014

RE: Approve / Ratify New or Revised Human Resources Policies

SUMMARY:
Gold Coast Health Plan (Plan or GCHP) develops or modifies Human Resources (HR) policies from time-to-time during the course of doing business to reflect changing business needs and/or to incorporate best practices of said policies.

REQUESTED ACTION:
Ratify or Approve the Following Policies:
1. R-4: Dress Code (Effective 05/01/2013) – Ratify
2. B-5: Vacation Buy-Back Policy (Effective 04/24/2013) – Ratify
4. X-X: Spot Award Policy – Approve New Policy

BACKGROUND / DISCUSSION:
Personnel policies are established to provide both the organization and its employees clear understanding the rules involving hiring, training, assessing, and rewarding members of the workforce. It also provides for clear understanding of employee rights as established in state and federal law or regulations.

Organizations have the need to make revisions to established HR policies on a regular basis, as the company grows and as the regulatory and business environments in which it operates evolve. Maintaining up-to-date Human Resources policies and procedures is an important process for employee recruitment and retention and to ensure all rules are compliant with applicable laws.

As such, GCHP has implemented or is proposing to implement the following policies in revision to the existing handbook:

1. **Dress Code Policy**: GCHP did not have a formal dress code policy. To ensure that expectations for appropriate work place attire are understood, GCHP staff adopted a dress code policy in May 2013.
2. **Vacation Buy-Back Policy**: GCHP had outlined in the personnel handbook a policy of providing for a vacation cash-out policy when maximum vacation accrual limits are
reached in employment contracts. This practice is common in the industry and limits the organization’s accumulation of potentially significant financial obligations.

The personnel handbook was silent on allowing for employees to cash-out unused vacation. Therefore, GCHP adopted a vacation buy-back policy in April 2013. In adopting such a policy, GCHP recognizes that vacation is legally equivalent to “earned compensation” or more plainly, to “wages”. Accrued vacation is legally protected for the employee. GCHP also recognizes that from time-to-time, employees may face certain circumstances whereby accessing accrued vacation compensation may alleviate a financial hardship or burden or other factor. Allowing employees to access accrued vacation, within the limits set forth in the attached policy, provides some flexibility for such employees. Since accrued vacation is a legal liability for the organization and is considered to be a form of “wages” to the employee, there is no net financial impact to the organization by paying out vacation accruals. This practice is also commonplace in both public agencies and commercial enterprises.

3. **Bereavement Policy**: GCHP staff requests to amend the policy to include “in-laws” as a qualifying family member for bereavement leave. No other change is recommended.

4. **Spot Award Policy**: The SPOT Award is a mechanism GCHP would like to implement to reward Gold Coast Health Plan (GCHP) employees for their exceptional and noteworthy contributions above and beyond the scope of an employee’s normal duties including, but not limited to, positive customer feedback, project completion, etc. The award will be presented to an GCHP employee that has provided a unique service for members, created or suggested an innovation related to quality, cost or access to care or has performed an exemplary service that served as a role model or inspired other employees. Employee SPOT awards help increase employee engagement and motivation. SPOT awards allow GCHP to recognize employee accomplishments when they happen "on the SPOT" while making the accomplishment and award more relevant and immediate for the employee. SPOT awards reinforce excellent performance while letting employees know that efforts are noticed and appreciated. The SPOT Award can range from $50-$1,000.

**FISCAL IMPACT:**

1. **Dress Code Policy Change**: none

2. **Vacation Buy-Out Policy**: Since accrued vacation is legally equivalent to earned compensation and would have to be paid out when (a) an employee leaves GCHP or (b) accrues up to a maximum level, there is no material net fiscal impact to GCHP.

3. **Bereavement Policy Change**: no material net fiscal impact.

4. **Spot Award Policy**: Recommend setting an annual spot award budget of $20,000.00 to begin with FY2013-14 and this will be absorbed into the existing FY2013-14 administrative expense budget.
RESOLUTION 2014-___

A RESOLUTION OF THE VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION AMENDING THE RESOLUTION NO. 2012-001 AND THE PERSONNEL RULES, REGULATIONS, AND POLICIES TO REFLECT RATIFICATION AND ADOPTION OF POLICY R-4: DRESS CODE (EFFECTIVE 05/01/2013) AND B-5: VACATION BUY-BACK POLICY (EFFECTIVE 04/23/2013); APPROVAL OF REVISIONS TO THE BEREAVEMENT LEAVE; ADOPTION OF THE SPOT AWARD POLICY AND ESTABLISHING A BUDGET FOR SPOT AWARD

WHEREAS, the Ventura County Medi-Cal Managed Care Commission doing business as Gold Coast Health Plan hereinafter referred to as GCHP, Plan or Employer is authorized to adopt rules and regulations for the administration of the personnel system; and

WHEREAS, the objectives of these Personnel Rules, Regulations and Policies are to facilitate efficient and economical services to the public and to provide for an equitable system of personnel management; and

WHEREAS, these Personnel Rules, Regulations and Policies set forth those procedures that ensure similar treatment for persons who apply for, are selected for, or who are employed by GCHP, and define many of the obligations, rights, privileges, and prohibitions that are placed upon all employees in the service of the Plan; and

WHEREAS, at the same time, within the limits of administrative feasibility, considerable latitude shall be given to Chief Executive Officer and designee in the interpretation of these rules;


WHEREAS GCHP has implemented or is proposing to implement the following policies in revision to the existing handbook:

NOW, THEREFORE, BE IT RESOLVED that the Commission desires to update the Personnel Rules, Regulations and Policies.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Plan desires to update the Personnel Rules, Regulations, and Policies thereby amends Resolution No. R 2012-001 to include:

Section 1: Dress Code Policy: GCHP did not have a formal dress code policy. To ensure that expectations for appropriate work place attire are

Section 2: Vacation Buy-Back Policy: GCHP had outlined in the personnel handbook a policy of providing for a vacation cash-out policy when maximum vacation accrual limits are reached in employment contracts. This practice is usual and limits the organization's accumulation of potentially significant financial obligations.

The personnel handbook was silent on allowing for employees to cash-out unused vacation. Therefore, GCHP adopted a vacation buy-back policy in April 2013. In adopting such a policy, GCHP recognizes that vacation is legally equivalent to “earned compensation” or more plainly, to “wages”. Accrued vacation is legally protected for the employee. GCHP also recognizes that from time-to-time, employees may face certain circumstances whereby accessing accrued vacation compensation may alleviate a financial hardship or burden or other factor. Allowing employees to access accrued vacation, within the limits set forth in the attached policy, provides some flexibility for such employees. Since accrued vacation is a legal liability for the organization and is considered to be a form of “wages” to the employee, there is no net financial impact to the organization by paying out vacation accruals. This practice is also commonplace in both public agencies and commercial enterprises.

Policy B-5 Vacation Buy Back Policy is hereby adopted as part of the Personnel Rules, Regulations, and Policies retroactive to April 23, 2013.

Section 3: Bereavement Policy: GCHP staff requests to amend the policy to include “in-laws” as a qualifying family member for bereavement leave. The revised Bereavement Policy is hereby adopted.

Section 4: Spot Award Policy: A Spot Award Policy is adopted and established effective May 19, 2014.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan at a regular meeting on the 19th day of May, 2014 by the following vote:

AEY:
NAY:
ABSTAIN:
ABSENT:

Chair

Attest:

Traci R. McGinley, Clerk of the Board
PURPOSE:
To provide all staff members with appropriate guidelines for employee personal appearance including standards of dress, grooming, hygiene and personal cleanliness while at work, or on duty.

POLICY:
Every employee represents Gold Coast Health Plan in the eyes of our Board, our members and the community-at-large. It is the policy of GCHP that employees are required to present a clean, neat, professional business appearance at all times when employees are in the workplace or representing GCHP outside of the workplace.

Our dress code is based on several factors. GCHP is a professional organization that is responsible for health care access for thousands of people. Our dress code reflects our culture of professionalism, and our respect for our mission and our fiscal responsibilities. Our actions speak loudest, but our appearance communicates as well to community leaders, providers, members and other visitors to our work place.

Our standard continues to be "Business Casual". Many examples of acceptable clothing and footwear are provided in this policy, since they are often requested by staff and help to clarify our standard.

Definitions:
All employees are required to adhere to these standards as part of the requirements of their employment with GCHP. Employees will be aware of, and conscientious about, the neatness and cleanliness of their apparel, and their personal hygiene while on the job.

1. Acceptable Appearance / Attire
   Our overall standard is business professional, yet casual. Examples of acceptable attire include:

   For women: Suits, blazers, dress coats, blouses, business casual shirts (such as short or long sleeved polo shirts appropriate for a business environment), dresses, skirts, pantsuits, dress slacks, business casual pants, sweaters, and capri pants. The length of capris that is acceptable is mid-calf or just below the calf. Any shorter length is considered shorts and therefore may not be worn at any time, including casual Fridays. A denim skirt or blazer is acceptable if non-faded and the style is suitably professional for our business environment.

   For men: Suits, sports coats, dress shirts, ties, sweaters, business casual shirts (such as short or long sleeved polo shirts appropriate for a business environment), dress slacks and business casual pants (such as Dockers).
The duties of some positions may occasionally require more professional dress than others depending upon the requirements of the job. Employees who attend both internal and external meetings, visit other professional offices, hospitals, clinics, etc., and interact with business and community representatives, must dress to present an appropriate professional business image of GCHP.

The duties of some positions may allow for the wearing of more comfortable, casual apparel due to the nature of the job requirements. When the job requires physical activity (lifting, carrying, stretching, bending, etc.) employees may wear more casual apparel such as work pants and tennis shoes to permit greater freedom of movement and safety. GCHP reserves the right to determine which job assignments meet these criteria. Ask for clarification from the manager or Human Resources department.

2. Unacceptable Appearance / Attire

Examples of unacceptable and inappropriate attire that is not in compliance with our standards include provocative attire (low cut clothing, mini skirts, etc.), oversized clothing, extremely tight clothing including spandex, leggings or other form-fitting attire, tank tops, midriff tops, crop tops, halter-neck tops and dresses, spaghetti-strap tops and dresses, sun or beach dresses, nylon jogging suits, sweats / exercise pants, sportswear and shorts of any length and/or skorts, pajamas and jeans (except casual days).

Clothing with potentially offensive words, terms, logos, pictures, cartoons, or slogans is inappropriate for our business environment and is not to be worn at any time. Clothing that exposes undergarments is also inappropriate for our business environment and is not to be worn at any time.

3. Acceptable Shoes and Footwear

Conservative, non-athletic leather walking shoes, loafers, dress boots, flats, heels, business or dress shoes, business professional sandals, and leather deck-type shoes are acceptable for our business environment. Shoes are to be worn at all times while in the office. Tennis shoes may be worn on “Casual Days” only.

4. Unacceptable Shoes and Footwear

Flip flops (thongs), slippers and non-dress boots (e.g. Uggs)

5. “Casual Day”

GCHP observes Friday as Casual Day. Employees are permitted to wear more casual and informal clothing on Fridays. Employees are still required to present a clean and neat appearance at all times as every employee continues to represent GCHP in the eyes of members and the community at large. Examples of allowable choices on dress down day include denim jeans, tee shirts and tennis shoes. As a rule of thumb, casual clothing that is acceptable attire is not appropriate for our regular Monday through Thursday standard.

2
Provocative attire (low cut clothing, mini skirts, etc.), oversized clothing, extremely tight clothing including spandex or other form-fitting attire, tank tops, midriff tops, crop tops, halter-neck tops and dresses, spaghetti-strap tops and dresses, sun or beach dresses, nylon jogging suits, sweats / exercise pants, sportswear and shorts of any length and/or skirts may not be worn.

Directors and managers are required to use their own discretion on Casual Day depending on their schedule for business that day. Employees who have important meetings with non-employees either on or off site on Casual Day need to consider observing the more professional standards of the regular Dress Code Policy guidelines. If there are questions, ask for clarification from the manager.

These examples are not meant to be all-inclusive, and may need to be amended from time to time as styles change.

6. Grooming and Cleanliness
All employees are expected to present themselves well groomed, with attention paid to good personal hygiene. In consideration of others, care should be taken to avoid strong, offensive odors, such as tobacco, perfumes or cologne as some employees are sensitive to the chemicals in personal care products, such as perfumes, colognes, hairspray or other hair care products and scented lotions.

7. Compliance
Compliance with this policy is the responsibility of every individual. Employee cooperation will make enforcement unnecessary. However, employees who fail to follow the Dress Code guidelines will be sent home and requested to return to work in compliance with the guidelines. Employees will not be compensated for time away from work.

GCHP reserves the right to determine the appropriateness of compliance with the Dress Code Policy. Continued failure to comply with this policy may result in disciplinary action, up to and including separation of employment. This policy may be revised, updated, or rescinded at any time by GCHP.
POLICIES AND PROCEDURES

Policy #: R-4  
Lead Department: Human Resources

Title: Dress Code

Original Date: 05/01/2013  
Last Revision Date: New Policy

Approved by: CEO

Effective Date: 05/23/13

ACKNOWLEDGMENT OF DRESS CODE POLICY

Employee Name: (Print) ______________________________________

I have read and understand the Dress Code Policy. I understand that if I fail to follow the Dress Code guidelines will be sent home and requested to return to work in compliance with the guidelines. I understand that I will not be compensated for time away from work.

I understand that GCHP reserves the right to determine the appropriateness of compliance with the Dress Code Policy. Continued failure to comply with this policy may result in disciplinary action, up to and including separation of employment. This policy may be revised, updated, or rescinded at any time by GCHP.

Employee Signature ______________________________________  Date ___________________
I. PURPOSE:
To clarify Gold Coast Health Plan (GCHP) practices and policies regarding vacation time buy back. The vacation buy back is offered as an optional benefit, subject to budgetary constraints for employees who elect to convert accrued vacation into a cash value on an annual basis.

II. POLICY:
It is the policy of GCHP to provide employees with vacation time as a vehicle for rest and renewal. GCHP strongly encourages all eligible employees to utilize their vacation time; however the buyback policy will be available to all employees who have accrued vacation in which they would like to cash out.

III. DEFINITIONS:
- Eligible Employees: GCHP provides regular full- and part-time employees with vacation time.

IV. PROCEDURES:
- Employees may buy-back a maximum of 50% of their accrued vacation time.
- The request must be submitted in writing to Human Resources for approval. The employee must maintain a minimum of forty (40) hours of vacation remaining after the “buy back” of some of their vacation
DEPARTMENT OF HUMAN RESOURCES
Request for Vacation Buy Back

EMPLOYEE NAME: ___________________________

REQUEST DATE: ___________________________        DEPARTMENT: _____________________________

HOURS REQUESTED: ______________________        PAYROLL EFFECTIVE DATE: _________________

HUMAN RESOURCES:
TOTAL HOURS AVAILABLE: ______________________  HOURS APPROVED: ______________________

HOURS REMAINING: ____________________________

I understand that this request is subject to HR approval and the company's Vacation Buy Back policy.

Employee Signature: ___________________________        Date: ___________________________

PAYROLL APPROVAL: ___________________________ Date: ___________________________
Purpose:
GCHP provides Bereavement Leave/Pay to eligible employees due to a death in their immediate family.

Policy: Bereavement leave is provided for Regular Full Time employees unless otherwise stipulated in an individual employment agreement. Employees may take bereavement leave paid for or up to three (3) days in the event of death of any of an immediate family member. Immediate family members are defined as: spouse, domestic partner as defined by the State of California, father, mother, grandfather, grandmother, sister, brother, son, and daughter whether related by blood, adoption or marriage.

Definitions/Criteria: Immediate family member for purposes of this policy is limited to the following relationships by blood, marriage, adoption or domestic partnership (Defined by the State of CA)

- Current Spouse
- Current Domestic Partner
- Parent of employee, current spouse or current domestic partner
- Sibling of employee, current spouse or current domestic partner
- Current Father-in-Law
- Current Mother-in-Law
- Step-Parent or Legal Guardian
- Child of employee, current spouse or current domestic partner
- Grandparent of employee, current spouse or current domestic partner
- Grandchild of employee, current spouse or current domestic partner

Procedure:

- Bereavement leave must be requested at the time of the family member’s death or to attend the funeral. The employee must obtain approval from his/her supervisor if additional time off is requested. Additional time off will be paid through available Vacation accruals.

- Employees must record their bereavement hours thorough the online timecard system

- Employees must submit a time off request form to supervisor/Human Resources requesting the time

- Proof of eligibility for bereavement leave may be required

GCHP reserves the right to modify, rescind, delete or add to this policy at any time without notice.
Policies and Procedures

Title: SPOT Award Policy  
Policy Number: XXXXXXXXXXX

DRAFT

Attachments:

References:
N/A

Revision History:

<table>
<thead>
<tr>
<th>Review Date</th>
<th>Revised Date</th>
<th>Approved By</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3c-12
Purpose:
The SPOT Award is a mechanism to reward Gold Coast Health Plan (GHCP) employees for their exceptional and noteworthy contributions. SPOT Awards can also be used to acknowledge performance that is above and beyond the scope of an employee's normal duties including, but not limited to, positive customer feedback, project completion, etc.

The award will be presented to an employee that has provided a unique service for members, created or suggested an innovation related to quality, cost or access to care or has performed an exemplary service that served as a role model or inspired other employees.

Employee SPOT awards help increase employee engagement and motivation. SPOT awards allow GHCP to recognize employee accomplishments when they happen "on the SPOT" while making the accomplishment and award more relevant and "immediate" for the employee. SPOT awards reinforce excellent performance while letting employees know that efforts are noticed and appreciated.

Policy: Reward for special performance. All full-time and part-time employees are eligible, excluding Directors and C-Level Staff. Awards range from $50-$1,000.

Definitions/Criteria: The action or accomplishment that is being recognized should be significantly beyond the scope of the employee's regular day-to-day activities and assignments. For example, the award could be for an employee who uses initiative and creativity to resolve a situation or conflict. It could also be for a one-time exceptional achievement that might not be otherwise noticed such as volunteering for extra assignments during critical times while maintaining the regular work assignment.

Criteria Guidelines:
- Performing exemplary service that serves as a role model or inspires employees
- Putting in extra hours or effort to address an issue that prevents negative business impact
- Identifying and implementing a change that results in improved quality or service to our members or providers, increases process efficiencies, and/or delivers cost savings

SPOT Awards Examples:
To assist in developing an appropriate justification for an award, the following provides examples of awards that describe the accomplishment, the way the accomplishment was achieved and the improvement or result that was accomplished:
- Sue volunteered to develop a solution to late tickets. The late tickets were creating extra workload for the organization. Sue eliminated the problem, which improved our service to the customer and allowed staff to focus on more
critical work assignments. This task was outside of Sue’s normal job duties that resulted in a cost savings to the organization.

- Tomas created a spreadsheet of XYZ and was able to track our usage of X. He recommended ways to be more efficient. This task was outside the scope of Tom’s regular duties, and resulted in a cost savings to the organization.

**Eligibility**

All full and part time employees, with the exception of Directors and C-Level Staff, are eligible to receive SPOT awards. Independent contractors and temporary employees, whether contracted directly by the organization or through an agency, are not eligible to receive an award.

**Employees are only eligible for up to a maximum of $1,500 per year.**

Employees must have successfully completed ninety (90) days of employment and received a "meets expectations" or better overall rating on their most recent annual performance evaluation. Employees who have not yet received an annual performance evaluation may be eligible for an award if their manager confirms on the nomination form that they are "meeting expectations."

**Procedure:** Awards may be presented at any time during the fiscal year and should be awarded as soon as possible after the accomplishment or event in order to provide immediate recognition to employees.

Supervisors, Managers, Directors and Chiefs, as well as peers, may nominate staff for SPOT Awards. Nominations should be submitted via the GCHP SPOT Awards Nomination form.

Nominations will be accepted throughout the fiscal year. Nominations should generally be submitted within thirty (30) days of the accomplishment (Exceptions may apply)

- The signatures of the supervisor and next level manager on the GCHP SPOT Nomination Form represent an endorsement of the nomination.
- Completed nomination forms should be submitted to Human Resources to review for eligibility. If the submission is approved, the nomination form is submitted to the Executive Team for review and approval.
- The final approval is made by the Executive Team for SPOT awards.
- Following the decision, the Human Resources Department notifies the nominator that the award nomination:
  - is approved
  - is denied
- If the award is approved, Human Resources will initiate a manual check request through the payroll system for the approved monetary award. The check will be grossed-up by awardee’s tax rate to net the award amount. Upon receipt of the check, Human Resources will provide the award letter, certificate
and check to the recipient’s supervisor/manager for presentation to the employee.

- The award will be presented by the Manager/CEO and Original Nominator.

All awards are considered taxable income and will be reflected on the employee’s income earning statements.

**Attachments:**
SPOT Award Nomination Form

**References:**
N/A

**Revision History:**

<table>
<thead>
<tr>
<th>Review Date</th>
<th>Revised Date</th>
<th>Approved By</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
AGENDA ITEM 3d

To: Gold Coast Health Plan Commission

From: Stacy Diaz, Director of Human Resources

Date: May 19, 2014

RE: GCHP Revised Salary Ranges

SUMMARY:
Gold Coast Health Plans Human Resources Compensation Committee provided the established minimum and maximum salary ranges for GCHP positions in August 2012 to the Commission. The ranges were based off of data from other County Operated Health System (COHS) and Association for Community Affiliated Plans (ACAP), a national trade association for not-for-profit health plans.

With the assistance of GCHP Legal Counsel, an annual review of the salaries has been completed by Human Resources and compared with other COHS and ACAP. It has been determined that the current salary ranges need to be adjusted / increased.

BACKGROUND / DISCUSSION:
- Key Positions have been moved to a higher salary range due to the competition and salary surveys completed with other COHS, ACAP and Local Health Plans of California (LHPC).
- Several salary ranges maximum has been increased from 6-10% depending on the position based on the surveys.
- Additional budgeted positions have been inserted into the existing salary ranges.

RECOMMENDATION:
GCHP is recommending that the Commission adopt the revisions made to the GCHP salary ranges.

CONCURRENCE
N/A

Attachments:
Revised GCHP Salary Ranges.
<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Position</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provider Services Clerk</td>
<td>37,115</td>
<td>40,271</td>
<td>43,427</td>
</tr>
<tr>
<td>2</td>
<td>Pharmacy Assistant</td>
<td>38,971</td>
<td>42,285</td>
<td>45,598</td>
</tr>
<tr>
<td>3</td>
<td>Administrative Assistant</td>
<td>40,920</td>
<td>44,399</td>
<td>47,879</td>
</tr>
<tr>
<td>3</td>
<td>IT - PC Maintenance Technician I</td>
<td>40,920</td>
<td>44,399</td>
<td>47,879</td>
</tr>
<tr>
<td>3</td>
<td>Member Services Representative I</td>
<td>40,920</td>
<td>44,399</td>
<td>47,879</td>
</tr>
<tr>
<td>3</td>
<td>Outreach Coordinator</td>
<td>40,920</td>
<td>44,399</td>
<td>47,879</td>
</tr>
<tr>
<td>4</td>
<td>Accounts Payable Specialist</td>
<td>42,966</td>
<td>46,619</td>
<td>50,273</td>
</tr>
<tr>
<td>4</td>
<td>Claims Analyst I</td>
<td>42,966</td>
<td>46,619</td>
<td>50,273</td>
</tr>
<tr>
<td>4</td>
<td>Clinical Operations Assistant I</td>
<td>42,966</td>
<td>46,619</td>
<td>50,273</td>
</tr>
<tr>
<td>4</td>
<td>Grievance and Appeals Representative I</td>
<td>42,966</td>
<td>46,619</td>
<td>50,273</td>
</tr>
<tr>
<td>4</td>
<td>Payroll Specialist</td>
<td>42,966</td>
<td>46,619</td>
<td>50,273</td>
</tr>
<tr>
<td>4</td>
<td>Provider Claims Research Representative I</td>
<td>42,966</td>
<td>46,619</td>
<td>50,273</td>
</tr>
<tr>
<td>4</td>
<td>Provider Dispute Resolution Representative I</td>
<td>42,966</td>
<td>46,619</td>
<td>50,273</td>
</tr>
<tr>
<td>5</td>
<td>Contracts Coordinator</td>
<td>45,115</td>
<td>48,951</td>
<td>52,787</td>
</tr>
<tr>
<td>5</td>
<td>HEDIS/QI Coordinator</td>
<td>45,115</td>
<td>48,951</td>
<td>52,787</td>
</tr>
<tr>
<td>6</td>
<td>Claims Analyst II</td>
<td>47,370</td>
<td>51,398</td>
<td>55,425</td>
</tr>
<tr>
<td>6</td>
<td>Grievance and Appeals Representative II</td>
<td>47,370</td>
<td>51,398</td>
<td>55,425</td>
</tr>
<tr>
<td>6</td>
<td>Member Services Representative II</td>
<td>47,370</td>
<td>51,398</td>
<td>55,425</td>
</tr>
<tr>
<td>6</td>
<td>Provider Claims Research Representative II</td>
<td>47,370</td>
<td>51,398</td>
<td>55,425</td>
</tr>
<tr>
<td>6</td>
<td>Administrative Facilities Coordinator</td>
<td>47,370</td>
<td>51,398</td>
<td>55,425</td>
</tr>
<tr>
<td>6</td>
<td>Provider Services Representative I</td>
<td>47,370</td>
<td>51,398</td>
<td>55,425</td>
</tr>
<tr>
<td>7</td>
<td>Claims Analyst - Senior</td>
<td>49,739</td>
<td>53,968</td>
<td>58,197</td>
</tr>
<tr>
<td>7</td>
<td>Clinical Operations Assistant - SENIOR</td>
<td>49,739</td>
<td>53,968</td>
<td>58,197</td>
</tr>
<tr>
<td>7</td>
<td>Member Services Analyst</td>
<td>49,739</td>
<td>53,968</td>
<td>58,197</td>
</tr>
<tr>
<td>7</td>
<td>Provider Dispute Resolution Representative II</td>
<td>49,739</td>
<td>53,968</td>
<td>58,197</td>
</tr>
<tr>
<td>8</td>
<td>IT - PC Maintenance Technician II</td>
<td>52,225</td>
<td>56,666</td>
<td>61,106</td>
</tr>
<tr>
<td>9</td>
<td>Accountant</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
</tbody>
</table>

Gold Coast Health Plan Pay Ranges adopted 08/27/2012
## Gold Coast Health Plan Pay Ranges adopted 08/27/2012

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Position</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Claims Auditor</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
<tr>
<td>9</td>
<td>Contract Specialist</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
<tr>
<td>9</td>
<td>Credentialing Specialist</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
<tr>
<td>9</td>
<td>Human Resources Technician</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
<tr>
<td>9</td>
<td>Provider Services Representative II</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
<tr>
<td>9</td>
<td>Quality Improvement Specialist</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
<tr>
<td>10</td>
<td>Clinical Operations Assistant - SENIOR</td>
<td>57,580</td>
<td>62,475</td>
<td>67,371</td>
</tr>
<tr>
<td>11</td>
<td>Claims Recovery Specialist</td>
<td>60,458</td>
<td>65,599</td>
<td>70,739</td>
</tr>
<tr>
<td>11</td>
<td>Clerk of the Board</td>
<td>60,458</td>
<td>65,599</td>
<td>70,739</td>
</tr>
<tr>
<td>11</td>
<td>Compliance Specialist</td>
<td>60,458</td>
<td>65,599</td>
<td>70,739</td>
</tr>
<tr>
<td>11</td>
<td>Provider Relations Senior Liaison</td>
<td>60,458</td>
<td>65,599</td>
<td>70,739</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>63,480</td>
<td>68,878</td>
<td>74,275</td>
</tr>
<tr>
<td>13</td>
<td>Provider Relations Analyst</td>
<td>66,655</td>
<td>49,991</td>
<td>33,328</td>
</tr>
<tr>
<td>13</td>
<td>Financial Analyst II</td>
<td>66,655</td>
<td>72,322</td>
<td>77,990</td>
</tr>
<tr>
<td>13</td>
<td>Quality Improvement HEDIS Analyst</td>
<td>66,655</td>
<td>72,322</td>
<td>77,990</td>
</tr>
<tr>
<td>13</td>
<td>Human Resources Analyst/Generalist</td>
<td>66,655</td>
<td>72,322</td>
<td>77,990</td>
</tr>
<tr>
<td>13</td>
<td>IT - Business Analyst</td>
<td>66,655</td>
<td>72,322</td>
<td>77,990</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>69,987</td>
<td>75,938</td>
<td>81,889</td>
</tr>
<tr>
<td>15</td>
<td>Accountant Senior</td>
<td>73,487</td>
<td>79,735</td>
<td>85,984</td>
</tr>
<tr>
<td>15</td>
<td>Analyst - Decision Support Senior</td>
<td>73,487</td>
<td>79,735</td>
<td>85,984</td>
</tr>
<tr>
<td>15</td>
<td>Policy Analyst- Senior</td>
<td>73,487</td>
<td>79,735</td>
<td>85,984</td>
</tr>
<tr>
<td>15</td>
<td>Analyst - Quality Improvement Projects Senior</td>
<td>73,487</td>
<td>79,735</td>
<td>85,984</td>
</tr>
<tr>
<td>16</td>
<td>IT - Systems Analyst</td>
<td>77,161</td>
<td>83,722</td>
<td>90,283</td>
</tr>
<tr>
<td>17</td>
<td>IT - Business Analyst Senior</td>
<td>81,019</td>
<td>87,908</td>
<td>94,797</td>
</tr>
<tr>
<td>18</td>
<td>Manager - Claims</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>Manager - Health Education</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>Manager - HR</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>Pay Range</td>
<td>Position</td>
<td>Minimum</td>
<td>Mid-point</td>
<td>Maximum</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------</td>
<td>----------</td>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td>18</td>
<td>Manager - Member Services</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>RN</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>RN - Case Manager and UR</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>RN - Facility Site Review/Master Trainer</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Compliance</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Projects</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Provider Network</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Vendor Contracts</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>20</td>
<td>IT - Project Manager</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>20</td>
<td>Manager - Communications</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>20</td>
<td>Manager - Decision Support Project</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>20</td>
<td>Manager - Quality Improvement Projects</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>21</td>
<td>Financial Analyst - Senior</td>
<td>98,480</td>
<td>106,853</td>
<td>115,226</td>
</tr>
<tr>
<td>22</td>
<td>Accounting Manager</td>
<td>103,404</td>
<td>112,196</td>
<td>120,987</td>
</tr>
<tr>
<td>22</td>
<td>IT - Project Manager Senior</td>
<td>103,404</td>
<td>112,196</td>
<td>120,987</td>
</tr>
<tr>
<td>23</td>
<td>Manager - Care Coordination</td>
<td>108,573</td>
<td>117,805</td>
<td>127,037</td>
</tr>
<tr>
<td>23</td>
<td>Manager - IT</td>
<td>108,573</td>
<td>117,805</td>
<td>127,037</td>
</tr>
<tr>
<td>23</td>
<td>Manager - Case Management</td>
<td>108,573</td>
<td>117,805</td>
<td>127,037</td>
</tr>
<tr>
<td>24</td>
<td>Director - Pharmacy</td>
<td>114,002</td>
<td>123,695</td>
<td>133,388</td>
</tr>
<tr>
<td>24</td>
<td>IT - Security Specialist</td>
<td>114,002</td>
<td>123,695</td>
<td>133,388</td>
</tr>
<tr>
<td>25</td>
<td>Director - Network Development</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>25</td>
<td>Director - Compliance</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>25</td>
<td>Director - Human Resources</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>26</td>
<td>Controller</td>
<td>125,688</td>
<td>136,375</td>
<td>147,061</td>
</tr>
<tr>
<td>26</td>
<td>Director - Financial Analysis</td>
<td>125,688</td>
<td>136,375</td>
<td>147,061</td>
</tr>
<tr>
<td>26</td>
<td>Director - IT</td>
<td>125,688</td>
<td>136,375</td>
<td>147,061</td>
</tr>
</tbody>
</table>
## Gold Coast Health Plan Pay Ranges adopted 08/27/2012

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Position</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td></td>
<td>131972</td>
<td>143,193</td>
<td>154,414</td>
</tr>
<tr>
<td>28</td>
<td>Director - Government Relations</td>
<td>138,570</td>
<td>150,353</td>
<td>162,135</td>
</tr>
<tr>
<td>28</td>
<td>Director - Operations</td>
<td>138,570</td>
<td>150,353</td>
<td>162,135</td>
</tr>
<tr>
<td>29</td>
<td>Director - Quality Improvement</td>
<td>138,570</td>
<td>150,353</td>
<td>162,135</td>
</tr>
<tr>
<td>29</td>
<td></td>
<td>145,500</td>
<td>157,871</td>
<td>170,242</td>
</tr>
<tr>
<td>30</td>
<td>Director - Health Services</td>
<td>152,774</td>
<td>165,764</td>
<td>178,753</td>
</tr>
<tr>
<td>31</td>
<td>Associate Chief Medical Officer</td>
<td>160,413</td>
<td>174,052</td>
<td>187,692</td>
</tr>
<tr>
<td>32</td>
<td>CFO</td>
<td>168,433</td>
<td>182,754</td>
<td>197,075</td>
</tr>
<tr>
<td>32</td>
<td>CIO</td>
<td>168,433</td>
<td>182,754</td>
<td>197,075</td>
</tr>
<tr>
<td>32</td>
<td>COO</td>
<td>168,433</td>
<td>182,754</td>
<td>197,075</td>
</tr>
<tr>
<td>33</td>
<td></td>
<td>176,855</td>
<td>191,892</td>
<td>206,929</td>
</tr>
<tr>
<td>34</td>
<td></td>
<td>185,700</td>
<td>201,488</td>
<td>217,277</td>
</tr>
<tr>
<td>35</td>
<td></td>
<td>194,983</td>
<td>211,561</td>
<td>228,139</td>
</tr>
<tr>
<td>36</td>
<td>CMO</td>
<td>204,732</td>
<td>222,139</td>
<td>239,546</td>
</tr>
<tr>
<td>37</td>
<td></td>
<td>214,970</td>
<td>233,247</td>
<td>251,525</td>
</tr>
<tr>
<td>38</td>
<td></td>
<td>225,717</td>
<td>244,909</td>
<td>264,100</td>
</tr>
<tr>
<td>39</td>
<td>CEO</td>
<td>206,000</td>
<td>231,750</td>
<td>257,500</td>
</tr>
<tr>
<td>40</td>
<td></td>
<td>237,003</td>
<td>257,154</td>
<td>277,305</td>
</tr>
<tr>
<td>41</td>
<td></td>
<td>248,853</td>
<td>270,012</td>
<td>291,170</td>
</tr>
</tbody>
</table>
### Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Position</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provider Services Clerk</td>
<td>37,115</td>
<td>40,271</td>
<td>43,427</td>
</tr>
<tr>
<td>2</td>
<td>Pharmacy Assistant</td>
<td>38,971</td>
<td>42,285</td>
<td>45,598</td>
</tr>
<tr>
<td>3</td>
<td>Administrative Assistant</td>
<td>40,920</td>
<td>45,690</td>
<td>50,460</td>
</tr>
<tr>
<td>3</td>
<td>IT - PC Maintenance Technician I</td>
<td>40,920</td>
<td>45,690</td>
<td>50,460</td>
</tr>
<tr>
<td>3</td>
<td>Member Services Representative I</td>
<td>40,920</td>
<td>45,690</td>
<td>50,460</td>
</tr>
<tr>
<td>3</td>
<td>Outreach Coordinator</td>
<td>40,920</td>
<td>45,690</td>
<td>50,460</td>
</tr>
<tr>
<td>4</td>
<td>Accounts Payable Specialist</td>
<td>42,966</td>
<td>48,059</td>
<td>53,151</td>
</tr>
<tr>
<td>4</td>
<td>Claims Analyst I</td>
<td>42,966</td>
<td>48,059</td>
<td>53,151</td>
</tr>
<tr>
<td>4</td>
<td>Clinical Operations Assistant I</td>
<td>42,966</td>
<td>48,059</td>
<td>53,151</td>
</tr>
<tr>
<td>4</td>
<td>Grievance and Appeals Representative I</td>
<td>42,966</td>
<td>48,059</td>
<td>53,151</td>
</tr>
<tr>
<td>4</td>
<td>Payroll Specialist</td>
<td>42,966</td>
<td>48,059</td>
<td>53,151</td>
</tr>
<tr>
<td>4</td>
<td>Provider Claims Research Representative I</td>
<td>42,966</td>
<td>48,059</td>
<td>53,151</td>
</tr>
<tr>
<td>4</td>
<td>Provider Dispute Resolution Representative I</td>
<td>42,966</td>
<td>48,059</td>
<td>53,151</td>
</tr>
<tr>
<td>5</td>
<td>Credentialing Coordinator</td>
<td>45,115</td>
<td>50,462</td>
<td>55,809</td>
</tr>
<tr>
<td>5</td>
<td>Contracts Coordinator</td>
<td>45,115</td>
<td>50,462</td>
<td>55,809</td>
</tr>
<tr>
<td>5</td>
<td>HEDIS/QI Coordinator</td>
<td>45,115</td>
<td>50,462</td>
<td>55,809</td>
</tr>
<tr>
<td>6</td>
<td>Compliance Coordinator</td>
<td>47,370</td>
<td>52,985</td>
<td>58,599</td>
</tr>
<tr>
<td>6</td>
<td>Claims Analyst II</td>
<td>47,370</td>
<td>52,985</td>
<td>58,599</td>
</tr>
<tr>
<td>6</td>
<td>Grievance and Appeals Representative II</td>
<td>47,370</td>
<td>52,985</td>
<td>58,599</td>
</tr>
<tr>
<td>6</td>
<td>Grievance and Appeals Coordinator</td>
<td>47,370</td>
<td>52,985</td>
<td>58,599</td>
</tr>
<tr>
<td>6</td>
<td>Member Services Representative II</td>
<td>47,370</td>
<td>52,985</td>
<td>58,599</td>
</tr>
<tr>
<td>6</td>
<td>Provider Claims Research Representative II</td>
<td>47,370</td>
<td>52,985</td>
<td>58,599</td>
</tr>
<tr>
<td>6</td>
<td>Administrative Facilities Coordinator</td>
<td>47,370</td>
<td>51,398</td>
<td>55,425</td>
</tr>
<tr>
<td>6</td>
<td>Provider Services Representative I</td>
<td>47,370</td>
<td>52,985</td>
<td>58,599</td>
</tr>
<tr>
<td>7</td>
<td>Claims Analyst - Senior</td>
<td>49,739</td>
<td>55,634</td>
<td>61,530</td>
</tr>
<tr>
<td>7</td>
<td>Clinical Operations Assistant - SENIOR</td>
<td>49,739</td>
<td>55,634</td>
<td>61,530</td>
</tr>
<tr>
<td>7</td>
<td>Provider Dispute Resolution Representative II</td>
<td>49,739</td>
<td>55,634</td>
<td>61,530</td>
</tr>
</tbody>
</table>
## Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Position</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Facilities- Maintenance Technician</td>
<td>52,225</td>
<td>58,415</td>
<td>64,605</td>
</tr>
<tr>
<td>8</td>
<td>IT - PC Maintenance Technician II</td>
<td>52,225</td>
<td>58,415</td>
<td>64,605</td>
</tr>
<tr>
<td>9</td>
<td>Health Educator</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>Accountant</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>Claims Auditor</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>PQI Coordinator</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>QI Specialist</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>Contract Specialist</td>
<td>54,837</td>
<td>59,500</td>
<td>64,162</td>
</tr>
<tr>
<td>9</td>
<td>Credentialing Specialist</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>Human Resources Specialist</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>Provider Services Representative II</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>9</td>
<td>Quality Improvement Specialist</td>
<td>54,837</td>
<td>61,337</td>
<td>67,836</td>
</tr>
<tr>
<td>10</td>
<td>Claims Recovery Specialist</td>
<td>57,580</td>
<td>64,404</td>
<td>71,229</td>
</tr>
<tr>
<td>11</td>
<td>Public Relations Account Representative</td>
<td>60,458</td>
<td>67,619</td>
<td>74,779</td>
</tr>
<tr>
<td>11</td>
<td>Executive Assistant</td>
<td>60,458</td>
<td>67,619</td>
<td>74,779</td>
</tr>
<tr>
<td>11</td>
<td>Clerk of the Board</td>
<td>60,458</td>
<td>67,619</td>
<td>74,779</td>
</tr>
<tr>
<td>11</td>
<td>Compliance Specialist</td>
<td>60,458</td>
<td>67,619</td>
<td>74,779</td>
</tr>
<tr>
<td>11</td>
<td>Provider Relations Senior Liaison</td>
<td>60,458</td>
<td>67,619</td>
<td>74,779</td>
</tr>
<tr>
<td>12</td>
<td>IT- Project Coordinator</td>
<td>63,480</td>
<td>71,004</td>
<td>78,529</td>
</tr>
<tr>
<td>13</td>
<td>Decision Support Services Analyst</td>
<td>66,655</td>
<td>73,662</td>
<td>80,669</td>
</tr>
<tr>
<td>13</td>
<td>Provider Relations Analyst</td>
<td>66,655</td>
<td>73,662</td>
<td>80,669</td>
</tr>
<tr>
<td>13</td>
<td>Financial Analyst II</td>
<td>66,655</td>
<td>73,662</td>
<td>80,669</td>
</tr>
<tr>
<td>13</td>
<td>Quality Improvement HEDIS Analyst</td>
<td>66,655</td>
<td>73,662</td>
<td>80,669</td>
</tr>
<tr>
<td>13</td>
<td>Member Services Analyst</td>
<td>66,655</td>
<td>73,662</td>
<td>80,669</td>
</tr>
<tr>
<td>13</td>
<td>Human Resources Analyst/Generalist</td>
<td>66,655</td>
<td>73,662</td>
<td>80,669</td>
</tr>
<tr>
<td>13</td>
<td>IT - Business Analyst</td>
<td>66,655</td>
<td>73,662</td>
<td>80,669</td>
</tr>
<tr>
<td>Pay Range</td>
<td>Position</td>
<td>Minimum</td>
<td>Mid-point</td>
<td>Maximum</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------------------------</td>
<td>----------</td>
<td>-----------</td>
<td>----------</td>
</tr>
<tr>
<td>14</td>
<td>Decision Support Services Writer</td>
<td>69,987</td>
<td>77,345</td>
<td>84,702</td>
</tr>
<tr>
<td>14</td>
<td>Buyer, Senior</td>
<td>69,987</td>
<td>77,345</td>
<td>84,702</td>
</tr>
<tr>
<td>15</td>
<td>Accountant Senior</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>15</td>
<td>Analyst - Decision Support Senior</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>15</td>
<td>Compliance Lead</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>15</td>
<td>Delegation Oversight Auditor</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>15</td>
<td>Nutritionist</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>15</td>
<td>IT- Sharepoint Development &amp; Coordinator</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>15</td>
<td>Policy Analyst- Senior</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>15</td>
<td>Analyst - Quality Improvement Projects Senior</td>
<td>73,487</td>
<td>81,461</td>
<td>89,435</td>
</tr>
<tr>
<td>16</td>
<td>IT - Systems Analyst</td>
<td>77,161</td>
<td>84,871</td>
<td>92,581</td>
</tr>
<tr>
<td>17</td>
<td>IT - Business Analyst Senior</td>
<td>81,019</td>
<td>87,908</td>
<td>94,797</td>
</tr>
<tr>
<td>18</td>
<td>Manager - Content</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>Manager - Claims</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>Manager - Health Education</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>Manager - HR</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>Manager - Member Services</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>RN</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>RN - Case Manager and UR</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>18</td>
<td>RN - Facility Site Review/Master Trainer</td>
<td>85,070</td>
<td>92,303</td>
<td>99,536</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Compliance</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Projects</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Provider Network</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>19</td>
<td>Manager - Vendor Contracts</td>
<td>89,324</td>
<td>96,919</td>
<td>104,514</td>
</tr>
<tr>
<td>20</td>
<td>IT - Project Manager</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>20</td>
<td>Manager - Communications</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>20</td>
<td>Manager - Decision Support Project</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
</tbody>
</table>
## Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Position</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>Manager - Grievances &amp; Appeals</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>20</td>
<td>Manager - Quality Improvement Projects</td>
<td>93,790</td>
<td>101,765</td>
<td>109,739</td>
</tr>
<tr>
<td>21</td>
<td>Financial Analyst - Senior</td>
<td>98,480</td>
<td>106,853</td>
<td>115,226</td>
</tr>
<tr>
<td>22</td>
<td>Accounting Manager</td>
<td>103,404</td>
<td>112,196</td>
<td>120,987</td>
</tr>
<tr>
<td>22</td>
<td>IT - Project Manager Senior</td>
<td>103,404</td>
<td>112,196</td>
<td>120,987</td>
</tr>
<tr>
<td>23</td>
<td>Manager - Care Coordination</td>
<td>108,573</td>
<td>117,805</td>
<td>127,037</td>
</tr>
<tr>
<td>23</td>
<td>Manager - IT Project Management</td>
<td>108,573</td>
<td>117,805</td>
<td>127,037</td>
</tr>
<tr>
<td>23</td>
<td>Manager- IT Business Solutions</td>
<td>108,573</td>
<td>117,805</td>
<td>127,037</td>
</tr>
<tr>
<td>23</td>
<td>Manager - Case Management</td>
<td>108,573</td>
<td>117,805</td>
<td>127,037</td>
</tr>
<tr>
<td>24</td>
<td>Director - Pharmacy</td>
<td>114,002</td>
<td>123,695</td>
<td>133,388</td>
</tr>
<tr>
<td>24</td>
<td>IT - Security Specialist</td>
<td>114,002</td>
<td>123,695</td>
<td>133,388</td>
</tr>
<tr>
<td>25</td>
<td>Director- Network Development</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>25</td>
<td>Director - Communications</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>25</td>
<td>Director - Health Education</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>25</td>
<td>Director - Compliance</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>25</td>
<td>Director - Human Resources</td>
<td>119,703</td>
<td>129,881</td>
<td>140,058</td>
</tr>
<tr>
<td>26</td>
<td>Controller</td>
<td>125,688</td>
<td>136,375</td>
<td>147,061</td>
</tr>
<tr>
<td>26</td>
<td>Director - Financial Analysis</td>
<td>125,688</td>
<td>136,375</td>
<td>147,061</td>
</tr>
<tr>
<td>26</td>
<td>Director - IT</td>
<td>125,688</td>
<td>136,375</td>
<td>147,061</td>
</tr>
<tr>
<td>27</td>
<td></td>
<td>131,972</td>
<td>143,193</td>
<td>154,414</td>
</tr>
<tr>
<td>28</td>
<td>Director - Government Relations</td>
<td>138,570</td>
<td>150,353</td>
<td>162,135</td>
</tr>
<tr>
<td>28</td>
<td>Director - Operations</td>
<td>138,570</td>
<td>150,353</td>
<td>162,135</td>
</tr>
<tr>
<td>28</td>
<td>Director - Quality Improvement</td>
<td>138,570</td>
<td>150,353</td>
<td>162,135</td>
</tr>
<tr>
<td>29</td>
<td></td>
<td>145,500</td>
<td>157,871</td>
<td>170,242</td>
</tr>
<tr>
<td>30</td>
<td>Director - Health Services</td>
<td>152,774</td>
<td>165,764</td>
<td>178,753</td>
</tr>
<tr>
<td>31</td>
<td></td>
<td>160,413</td>
<td>174,052</td>
<td>187,692</td>
</tr>
</tbody>
</table>
Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Position</th>
<th>Minimum</th>
<th>Mid-point</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>32</td>
<td></td>
<td>168,433</td>
<td>182,754</td>
<td>197,075</td>
</tr>
<tr>
<td>33</td>
<td></td>
<td>176,855</td>
<td>191,892</td>
<td>206,929</td>
</tr>
<tr>
<td>34</td>
<td></td>
<td>185,700</td>
<td>201,488</td>
<td>217,277</td>
</tr>
<tr>
<td>35</td>
<td>Associate Chief Medical Officer</td>
<td>194,983</td>
<td>211,561</td>
<td>228,139</td>
</tr>
<tr>
<td>36</td>
<td></td>
<td>204,732</td>
<td>222,139</td>
<td>239,546</td>
</tr>
<tr>
<td>37</td>
<td>CFO</td>
<td>214,970</td>
<td>233,247</td>
<td>251,525</td>
</tr>
<tr>
<td>37</td>
<td>CIO</td>
<td>214,970</td>
<td>233,247</td>
<td>251,525</td>
</tr>
<tr>
<td>37</td>
<td>COO</td>
<td>214,970</td>
<td>233,247</td>
<td>251,525</td>
</tr>
<tr>
<td>38</td>
<td>CMO</td>
<td>225,717</td>
<td>244,909</td>
<td>264,100</td>
</tr>
<tr>
<td>39</td>
<td></td>
<td>206,000</td>
<td>231,750</td>
<td>257,500</td>
</tr>
<tr>
<td>40</td>
<td>CEO</td>
<td>237,003</td>
<td>257,154</td>
<td>277,305</td>
</tr>
<tr>
<td>41</td>
<td></td>
<td>248,853</td>
<td>270,012</td>
<td>291,170</td>
</tr>
</tbody>
</table>

Moved to new range
New budgeted positions for FY14-15
AGENDA ITEM 4a

To: Gold Coast Health Plan Commission

From: Michael Engelhard, Chief Executive Officer

Date: May 19, 2014

Re: CEO Update

OPERATIONS UPDATE

Membership
Total enrollment for May increased to more than 148,000 with the addition of 5,893 members. Since January, the Plan has added 28,013 members. While the Affordable Care Act (ACA) - driven Medi-Cal expansion has been the primary cause of the membership increase – 8,118 from the ACE / LIHP program, 7,279 new Medi-Cal Expansion members and 4,268 members from the state’s outreach to CalFRESH members – GCHP has also experienced growth of 8,222 in the traditional Medi-Cal population. This latter figure is likely due to increased awareness of the Medi-Cal benefit due to Plan, County, State and Federal outreach campaigns.

FINANCE UPDATE

Adult Expansion Capitation Rates
Milliman (outside actuarial firm) has finalized PCP and Specialty contract capitation rates to be paid to providers for the Adult Expansion members. The Plan will be working with applicable providers this month with a targeted date to implement these rates on June 1, 2014.

COMPLIANCE UPDATE

The Plan received the official closure letter from the Department of Health Care Services (DHCS) on May 8, 2014 for Addendum B -- the Medical Review portion of the Consolidated Corrective Action Plan (CAP). Addendum B of the CAP identified more than 100 deficiencies with a review period of November 2011 through October 2012. The department recognized the Plan for our cooperation and support in closing out Addendum B deficiencies. The close out of Addendum B reflects the hard work of GCHP staff in all areas of the organization. The Plan is actively working with DHCS on Addendum A – the financial portion of the consolidated CAP.
The Department of Health Care Services will be removing hemophilia blood factor from Medi-Cal managed care beginning July 1, 2014. Plans were notified of this change via Operating Instruction Language (OIL) letters that these services will be carved out of the Plan contracts. Additional information will be made available in the future.

The Delegation Oversight (DO) department is ramping up efforts and preparing for onsite audits of delegated entities. In addition, staff is working with delegates to ensure reporting per contracts is being conducted and in enforcing contractual requirements. Delegation oversight was an area of deficiency identified in the Medical CAP. The Plan has committed to developing a work plan which increases delegation oversight efforts and appropriate enforcement if and when delegates fail to meet standards.

The Compliance Officer / Director and General Counsel attended the Department of Justice (DOJ) Statewide meeting in Los Angeles on May 13, 2014. GCHP was one of the six plans that presented material on Fraud Waste and Abuse (FWA) at this mini-conference. Compliance staff continues to actively engage in all requests and meeting with DOJ as an ongoing effort to combat fraud, waste and abuse.

GOVERNMENT AFFAIRS UPDATE

May Revise Budget
The Governor released his revised state budget proposal on Tuesday, May 13th. The Administration’s revised state budget indicates that state revenues are $2.4 billion more than predicted in January 2014, however expenditures have increased in roughly the same amount.

Total Medi-Cal expenditures in 2014-15 have increased by $2.83 billion since January’s proposed budget for a total of $24.5 billion. Due to expanded eligibility criteria Medi-Cal enrollment is now expected to increase from 7.9 million before implementation of the Affordable Care Act (ACA) to 11.5 million in 2014-15. This represents roughly 30 percent of the state’s population.

The revised budget proposes increased expenditures in a few key areas:

• Medi-Cal funding, due to increased projections of previously eligible Medi-Cal enrollees.
• Pediatric vision pilot program in Los Angeles County
• Rainy Day Fund and paying down the debt

Medi-Cal Funding
The May revise budget includes an increase in Medi-Cal managed care funding due to increased enrollment of previously eligible Medi-Cal applicants between January and May.
Included in the budget revision are increases in mental health and substance use disorder benefits; additional costs for CalHEERS due to Medi-Cal application backlogs; decreased county realignment funding under AB 85.

The May revise budget also kept a number of proposals from the January budget intact without changes. These include: the single statewide outpatient drug formulary (see legislation update below for more information on this topic); AB 97 retroactive recoupments; a pediatric dental outreach program; coverage of out-of-pocket costs for pregnant women; elimination of the Managed Risk Medical Insurance Board (MRMIB); and non-payment and reporting of provider preventable conditions.

**Medi-Cal Pediatric Vision Pilot Program**

Los Angeles County will begin a Medi-Cal pediatric vision pilot program. The pilot program will utilize mobile vision service providers to contract with school districts to provide on-site vision exams and eyeglasses to children enrolled in Medi-Cal managed care plans. The budget allocates $2 million ($1 million General Fund) for this program in 2014-15.

**Rainy Day Fund**

The May revise budget includes a rainy day fund proposal negotiated by the Governor and the Legislature. Under this proposal, capital gains revenue that exceeds 8% of the general fund would be set aside in a rainy day fund. Of these funds, fifty percent will be used to pay down current debts, and fifty percent will be deposited in the rainy day fund to pay down unfunded pension liabilities. By 2017-18, the fund is projected to produce approximately $2.195 billion in revenue.

**Covered California: Results from the First Open Enrollment**

On Tuesday, May 6th the Assembly Committee on Health held an informational hearing where Covered California, the Department of Health Care Services (DHCS), and various stakeholders highlighted the successes California experienced during the open enrollment period.

Peter Lee, Executive Director of Covered California, testified that a total of 1.4 million Californians gained health insurance coverage through Covered California. Medi-Cal gained a total of 1.9 million beneficiaries through the Exchange. Mr. Lee noted a need to increase outreach efforts in the Latino community.

**Medi-Cal Application Backlog**

Toby Douglas, Director of DHCS, testified that there is a backlog of 900,000 Medi-Cal applications pending in the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). According to Mr. Douglas several measures have been implemented to address the backlog. First, the requirement for paper residency verification was eliminated; second, DHCS is providing county eligibility workers with additional guidance in the eligibility process.
Third, DHCS is working on automation fixes in the CalHEERS system to improve interface communication with county systems.

The California Association of Health Plans has weighed-in on this issue with a recommendation that DHCS postpone the annual eligibility redetermination process for the current Medi-Cal population to provide counties ample time to complete the current workload.

**California Endowment To Assist With Medi-Cal Renewals**
Both the Assembly and Senate Budget Subcommittees on Health and Human Services approved The California Endowment proposed trailer bill language to donate up to $6 million to DHCS. The donation will be matched with federal funds and used to assist Medi-Cal beneficiaries with required renewals.

As a follow up to a meeting with Camarillo’s City Manager concerning public transportation access for GCHP members, GCHP’s Director of Government Affairs met with the City of Camarillo Manager of Transportation Services, Roc Pulido and Thomas Fox, Director of Public Works. The purpose of this meeting was to discuss GCHP’s service population and their transportation needs.

**Legislation and Related Issues**
The State legislature is in the second year of a two-year session which ends on August 31, 2014. The deadline for the Senate and Assembly Committees on Appropriations to vote on bills with a fiscal effect is May 23rd. Budget Subcommittee hearings will begin next week to deliberate and vote on the Administration’s proposals included in the May revise budget. The legislature must pass the 2014-15 state budget by June 15th or members of the Legislature forfeit their pay for each day that a budget is not approved.

**Single Statewide Drug Formulary**
The single statewide formulary proposal for Medi-Cal managed care plans continues in the May revise but no cost estimate was included. Managed care plans and other constituents are opposed to this proposal.

**Medi-Cal Related Bills**

- **AB 1814**  Prescriber Prevails Act
  Summary: this bill proposes that any drug prescribed by a provider in one of five therapeutic categories must be covered by Medi-Cal managed care plans if the provider deems the drug to be medically necessary. This bill is currently held under the suspense file.

- **SB 964**  Health care service plans: medical surveys
  Summary: this bill requires county organized health systems to comply with timeliness standards and reporting procedures adopted by the Department of
Managed Health Care (DMHC). The bill also requires DMHC to create a standard reporting template for this purpose.

**SB 1081**
Federally Qualified Health Centers Payment Reform Summary: This bill authorizes a 3-year alternative payment methodology pilot project for FQHCs that would implement monthly capitated payments for each Medi-Cal managed care enrollee assigned to an FQHC in place of the wrap-around, fee-for-service per visit payments from the department.

Participation in the pilot project is optional for Medi-Cal managed care plans. This bill was recently amended to include the following counties:

Alameda; Contra Costa; Los Angeles; Merced; Monterey; San Mateo; Santa Clara; and Solano.

**SB 1150**
Medi-Cal: federally qualified health centers and rural health clinics Summary: Current law allows for Medi-Cal managed care reimbursement at an FQHC for 2 visits in one day in the case of a physical health care visit and a dental visit. This bill allows for reimbursement adds a mental health visit.

**SB 1452**
Medi-Cal: managed care Summary: This bill provides that a Medi-Cal beneficiary for whom a conservator has been appointed shall be exempt from mandatory enrollment in a managed care plan under the Medi-Cal program.

**HEALTH EDUCATION AND COMMUNITY OUTREACH**

Gold Coast Health Plan continues to participate in community education and outreach activities throughout the county. The health education and outreach team conducted the following activities during the months of March and April. In addition, GCHP will host a Community Resource Fair at Del Sol Park in Oxnard on June 28, 2014 from 9:00 AM - 4:00 PM. The goal of the resource fair is to increase awareness about community health and social service resources available in the community.

GCHP Health Education and Outreach Department sponsored two community health fairs during the month of March. On March 9, 2014, GCHP sponsored a community health fair at the Simi Valley Public Library and March 15, 2014, at the Oxnard Public Library. Approximately 85 children and families were reached during these two events.

During the month March 2014, GCHP Health Education and Outreach Department received two certificates of appreciation from the following agencies: 1) The National Association
Against Child Cruelty & The Children’s Wall of Tears, for our participation in the 1st Annual Celebrating Children’s Day and 2) The Life After Brain Injury for our participation in the 3rd Annual Brain Injury Resource Fair. Both events were well received by the general public and we look forward to continued participation.

The health education and outreach team partnered with GCHP’s Member Services Department to expanded outreach efforts to increase awareness about GCHP’ Monthly Member Orientation meetings. GCHP health education and outreach team participated in local farmer’s markets in Simi Valley to help increase awareness of member orientation meetings in Simi Valley. Staff continues to participate in local events throughout the county to increase awareness of orientation meetings.

**Outreach Events**

**School and Youth Groups**
During the months of March and April GCHP’s outreach and health education team participated in community events that reached youth and school based groups and distributed approximately 800 health promotion materials.

**Community Health Fairs and General Population**
GCHP health education and outreach staff participated in approximately 32 community health and resource fairs. A total of 3,948 pieces of literature was distributed and approximately 1,619 adults and children were reached during the reporting period of March and April 2014. GCHP participated in the 24th Annual Multicultural Day at Moorpark College and distributed over 200 pieces of literature.

Overall, information distributed during outreach events is related to GCHP services, healthy lifestyle, and the Affordable Care Act (ACA). Information regarding GCHP services and healthy lifestyle continue to be the greatest volume of distribution during outreach events. Below is a chart that outlines the distribution of materials and the total number participants by age group.
Activities
Overall GCHP health education and outreach staff participated in 30 community outreach events / health fairs and hosted two (2) community health fairs throughout the county. Below is a list of events and / or activities:

March 2014

<table>
<thead>
<tr>
<th>Date</th>
<th>Event / Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/01</td>
<td>“Walking the Path Together” – Conference and Resource Fair</td>
</tr>
<tr>
<td>03/05</td>
<td>Covered California Healthcare Forum</td>
</tr>
<tr>
<td>03/06</td>
<td>Transition Fair</td>
</tr>
<tr>
<td>03/08</td>
<td>One Billion Rising for Justice</td>
</tr>
<tr>
<td>03/09</td>
<td>GCHP Community Health Fair and Forum</td>
</tr>
<tr>
<td>03/11</td>
<td>VCMC Baby Steps Program</td>
</tr>
<tr>
<td>Date</td>
<td>Event / Activities</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>03/14</td>
<td>La Hermandad Food Distribution</td>
</tr>
<tr>
<td>03/15</td>
<td>Brain Injury Resource Fair</td>
</tr>
<tr>
<td>03/15</td>
<td>GCHP Community Health Fair and Forum</td>
</tr>
<tr>
<td>03/18</td>
<td>Member Orientation Meeting (English)</td>
</tr>
<tr>
<td>03/18</td>
<td>SPH Baby Steps Program</td>
</tr>
<tr>
<td>03/19</td>
<td>Westpark Community Center Monthly Food Distribution &amp; Health</td>
</tr>
<tr>
<td>03/20</td>
<td>Member Orientation Meeting (Spanish)</td>
</tr>
<tr>
<td>03/20</td>
<td>Covered California Presentation</td>
</tr>
<tr>
<td>03/23</td>
<td>Reiter Affiliated Companies 4th Annual Resource Fair</td>
</tr>
<tr>
<td>03/29</td>
<td>Mixteco / Indigena Community Organizing Project (MICOP)</td>
</tr>
<tr>
<td>03/29</td>
<td>NAACC – Celebrating Children’s Day</td>
</tr>
</tbody>
</table>

### April 2014

<table>
<thead>
<tr>
<th>Date</th>
<th>Event / Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/08</td>
<td>VCMC Baby Steps Program</td>
</tr>
<tr>
<td>04/09</td>
<td>Member Orientation Meeting (Spanish)</td>
</tr>
<tr>
<td>04/09</td>
<td>Member Orientation Meeting (English)</td>
</tr>
<tr>
<td>04/11</td>
<td>La Hermandad Food Distribution</td>
</tr>
<tr>
<td>04/13</td>
<td>Jornada Dominical and Health Fair</td>
</tr>
<tr>
<td>04/15</td>
<td>VCMC Baby Steps Program</td>
</tr>
<tr>
<td>04/15</td>
<td>24th Annual Multicultural Day</td>
</tr>
<tr>
<td>04/16</td>
<td>Westpark Community Center Monthly Food Distribution &amp; Health</td>
</tr>
<tr>
<td>04/16</td>
<td>Committee Meeting - Housing Authority of the City of Ventura</td>
</tr>
<tr>
<td>04/19</td>
<td>MICOP – Celebrating Children’s Day</td>
</tr>
<tr>
<td>04/23</td>
<td>Member Orientation Meeting (Spanish)</td>
</tr>
<tr>
<td>04/23</td>
<td>Member Orientation Meeting (English)</td>
</tr>
<tr>
<td>04/25</td>
<td>Simi Valley Farmers Market</td>
</tr>
<tr>
<td>04/26</td>
<td>Spring Into Health - Health Fair at the Ventura College Market Place</td>
</tr>
<tr>
<td>04/26</td>
<td>MICOP – Celebrating Children’s Day</td>
</tr>
</tbody>
</table>

### Community Resource Fair

On Saturday, June 28, 2014, Gold Cost Health Plan (GCHP) will host a Community Resource Fair at Del Sol Park in Oxnard, California. The GCHP Community Resource Fair will be open to local Ventura County communities and is expected to attract approximately 300 individuals. The Community Resource Fair hours will be from 9:00 AM to 4:00 PM.

The goal of the Community Resource Fair is to increase awareness about Medi-Cal services and provide information about health care resources in the community. We intend to invite various community based agencies and social service organizations throughout the county to host an informational booth during the event.

In addition, there will be a mobile medical unit providing health screenings and the Ventura County Health Care Agency, Health Access and Education Center Mobile Unit will also offer
onsite Medi-Cal enrollment application assistance. There will also be food distribution, raffle prizes, bicycle safety and first aid demonstrations.

GCHP Community Resource Fair vendor registration form and Save the Date flyer were emailed to members of the GCHP Consumer Advisory Committee and to community partners. To date approximately 10 agencies have submitted their registration form to participate in the community resource fair. Staff will continue to follow-up with pending agencies regarding their registration form.

For additional information about upcoming health education and community outreach events, please refer to the GCHP Website at www.goldcoasthealthplan.org for date and time of events. If you have any additional questions, please send an email to Outreach@goldchp.org.
AGENDA ITEM 4b

To: Gold Coast Health Plan Commission

From: Ruth Watson, Chief Operating Officer

Date: May 19, 2014

Re: COO Update

OPERATIONS UPDATE

ACA-Health Care Reform and Medicaid Expansion

Membership
Total enrollment for May exceeded 148,000, showing an addition of 5,893 members from April. Since January the plan has added 28,013 members. While ACA and Medi-Cal expansion has driven the majority of the membership increase – 8,118 from the ACE / LIHP program, 7,279 new Medi-Cal Expansion members and 4,268 members from the state’s outreach to CalFRESH members – GCHP has also experienced growth of 8,222 in the traditional Medi-Cal population. This latter figure is likely due to increased awareness of the Medi-Cal benefit due to Plan, County, State and Federal outreach campaigns.

Temporary Eligibility for Medi-Cal Pending Cases
There continues to be a number of MAGI Medi-Cal (MC) applications processed through the Covered California portal and pending Medi-Cal status due to various verification reasons. The state used the ‘8E’ aid code to identify both adults and children in this category as “on hold” and active for MC fee for service (FFS) pending transition to GCHP by the State.

The Plan’s May eligibility file included 3,018 ‘8E’ members in this aid code - 2,274 remain pending from April, 489 became active GCHP members with various aid codes and 740 new 8E members were added in May.

Mental Health Benefit
GCHP’s contracted behavioral health management organization (BHMO), Beacon Health Strategies (Beacon) received 1,201 combined member and provider calls. There were 1,102 member calls and 99 provider calls - 93% of all calls are answered within 30 seconds meeting service level agreements for the first quarter of 2014.

Beacon has contracted with 256 providers for delivery of behavioral health services to GCHP’s members.

Since January 2014, more than 400 members have been referred to various contracted providers by Beacon for mild to moderate behavioral health services. GCHP’s Medical team continues to work collaboratively with Beacon and County Mental Health to insure
successful and appropriate transfers to the Co Single Statewide Drug Formulary unty Mental Health program for higher acuity mental health services.

April 2014 Operations Summary

Claims Inventory – continued to rise due to increased membership and corresponding claims receipts. Claims receipts from January through April are as follows:
- January – 91,130
- February – 90,048
- March – 109,857
- April – 110,855
This is approximately a 21% increase since January 2014.

Claims TAT – in spite of increased claims volume, we continued to exceed the regulatory requirements of processing 90% of clean claims within 30 calendar days with a result of 97.4%

Claims Processing Accuracy – exceeded both the financial and procedural goals in April.

Call Volume – increased membership has resulted in an increased call volume, predominantly on the provider side. Overall, calls increased by 9% from March.

Average Speed to Answer – we continue to significantly exceed the goal of answering calls within 30 seconds or less. The combined results for April were 6.0 seconds.

Abandonment Rate – the abandonment rate continues to remain exceedingly low. The goal is 5% or less of the calls received being abandoned; we have remained below 1% for 11 of the last 12 months.

Average Call Length – the combined result of 6.26 minutes meets the goals of 7 minutes or less. The Spanish results were slightly over 7 minutes; however, non-English calls typically take longer than English calls to complete.

Local Member Services – We are exploring the option of having some of our Member Services Representatives become Certified Enrollment Counselors (CEC) or Certified Application Assisters (CAA) and locating them remotely in Oxnard a few days / hours per week.

Member Orientation Meetings –meetings have been scheduled in various locations throughout Ventura County through June 2014 to provide opportunities for members to learn more about CCHP and gain a better understanding about their health plan. Meetings are held in both English and Spanish. To date, meetings have been held in Santa Paula, Simi Valley and Oxnard. Meetings are also scheduled for Fillmore, Ojai and Ventura.

APRIL OPERATIONS REPORTS ATTACHED:
Claims Inventory Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12,385</td>
<td>16,554</td>
<td>16,601</td>
<td>21,894</td>
<td>22,590</td>
<td>21,051</td>
<td>24,585</td>
<td>12,924</td>
<td>13,999</td>
<td>13,201</td>
<td>24,185</td>
<td>36,329</td>
</tr>
</tbody>
</table>

Goal: 21,000 or less (based on membership as of April 2014)

Note 1: November 2013 increase was due to a bulk submission of claims from VCMC on 11/22/13 that artificially inflated the inventory for two weeks. More than 70% had been previously submitted and were denied as duplicates; an additional 20% were denied for various reasons.

Note 2: April 2014 increase continue to reflect increased membership. Average daily claim receipts have increased from an average of 3,100-3,300 per day in January 2014 to 5,000-5,500 per day in April. Six additional claims processors have been hired by Xerox to address the higher than anticipated membership and resulting claims volume.
## Claims Processing Turnaround Time

<table>
<thead>
<tr>
<th></th>
<th>Apr-14</th>
<th>1-30 Days</th>
<th>31-45 Days</th>
<th>46-60 Days</th>
<th>Over 60 Days</th>
<th>Total Claims</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Clean Claims</td>
<td>109,338</td>
<td>97.58</td>
<td>2,658</td>
<td>2.37</td>
<td>28</td>
<td>0.02</td>
</tr>
<tr>
<td>Contested Claims</td>
<td>1,930</td>
<td>90.06</td>
<td>212</td>
<td>9.89</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Claims</td>
<td>111,268</td>
<td>97.44</td>
<td>2,870</td>
<td>2.51</td>
<td>28</td>
<td>0.02</td>
</tr>
</tbody>
</table>

## Claims Processed within 30 Calendar Days

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.8%</td>
<td>99.9%</td>
<td>99.9%</td>
<td>99.7%</td>
<td>99.7%</td>
<td>99.9%</td>
<td>99.4%</td>
<td>99.8%</td>
<td>99.9%</td>
<td>97.4%</td>
</tr>
</tbody>
</table>

**Regulatory requirement** - 90% of clean claims must be processed within 30 calendar days
Claims Processing Accuracy

Goal:
Financial - 98% or higher
Procedural - 97% or higher
Xerox Call Center Volume

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>2,356</td>
<td>2,157</td>
<td>2,562</td>
<td>3,639</td>
<td>3,276</td>
<td>3,185</td>
<td>2,439</td>
<td>2,354</td>
<td>4,143</td>
<td>4,339</td>
<td>4,365</td>
<td>4,408</td>
</tr>
<tr>
<td>Provider</td>
<td>3,230</td>
<td>3,033</td>
<td>3,596</td>
<td>3,556</td>
<td>3,190</td>
<td>4,155</td>
<td>2,881</td>
<td>2,877</td>
<td>3,491</td>
<td>3,282</td>
<td>3,534</td>
<td>4,430</td>
</tr>
<tr>
<td>Spanish</td>
<td>755</td>
<td>658</td>
<td>748</td>
<td>1,734</td>
<td>1,055</td>
<td>1,082</td>
<td>724</td>
<td>664</td>
<td>986</td>
<td>1,123</td>
<td>1,004</td>
<td>933</td>
</tr>
<tr>
<td>Total</td>
<td>6,341</td>
<td>5,848</td>
<td>6,906</td>
<td>8,929</td>
<td>7,521</td>
<td>8,422</td>
<td>6,044</td>
<td>5,895</td>
<td>8,620</td>
<td>8,744</td>
<td>8,903</td>
<td>9,771</td>
</tr>
</tbody>
</table>
Xerox Call Center Average Speed to Answer
(in seconds)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>3.6</td>
<td>4.2</td>
<td>8.4</td>
<td>7.8</td>
<td>12.0</td>
<td>10.8</td>
<td>12.0</td>
<td>12.6</td>
<td>5.4</td>
<td>10.8</td>
<td>12.6</td>
<td>5.4</td>
</tr>
<tr>
<td>Provider</td>
<td>6.0</td>
<td>6.6</td>
<td>9.6</td>
<td>16.2</td>
<td>22.2</td>
<td>16.8</td>
<td>14.4</td>
<td>15.6</td>
<td>5.4</td>
<td>10.8</td>
<td>12.0</td>
<td>7.2</td>
</tr>
<tr>
<td>Spanish</td>
<td>7.8</td>
<td>9.6</td>
<td>17.4</td>
<td>18.0</td>
<td>16.8</td>
<td>16.2</td>
<td>10.8</td>
<td>11.4</td>
<td>6.6</td>
<td>13.8</td>
<td>14.4</td>
<td>5.4</td>
</tr>
<tr>
<td>Combined</td>
<td>5.4</td>
<td>6.0</td>
<td>10.2</td>
<td>13.2</td>
<td>16.8</td>
<td>14.4</td>
<td>13.2</td>
<td>13.8</td>
<td>5.4</td>
<td>10.8</td>
<td>12.6</td>
<td>6.0</td>
</tr>
</tbody>
</table>

GOAL: 30 seconds or less
Xerox Call Center Abandonment Rate

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>0.13%</td>
<td>0.09%</td>
<td>0.62%</td>
<td>0.74%</td>
<td>1.25%</td>
<td>0.53%</td>
<td>0.57%</td>
<td>0.85%</td>
<td>0.31%</td>
<td>0.46%</td>
<td>0.78%</td>
</tr>
<tr>
<td>Provider</td>
<td>0.37%</td>
<td>0.56%</td>
<td>0.39%</td>
<td>0.65%</td>
<td>1.13%</td>
<td>0.58%</td>
<td>0.49%</td>
<td>0.49%</td>
<td>0.14%</td>
<td>0.58%</td>
<td>0.74%</td>
</tr>
<tr>
<td>Spanish</td>
<td>0.66%</td>
<td>1.06%</td>
<td>0.94%</td>
<td>0.69%</td>
<td>0.85%</td>
<td>0.92%</td>
<td>0.97%</td>
<td>1.05%</td>
<td>0.71%</td>
<td>0.71%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Combined</td>
<td>0.32%</td>
<td>0.44%</td>
<td>0.54%</td>
<td>0.69%</td>
<td>1.14%</td>
<td>0.61%</td>
<td>0.58%</td>
<td>0.70%</td>
<td>0.29%</td>
<td>0.54%</td>
<td>0.71%</td>
</tr>
</tbody>
</table>

**GOAL:** 5% or less
Xerox Call Center Average Call Length
(in minutes)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member</td>
<td>5.62</td>
<td>5.46</td>
<td>5.51</td>
<td>6.01</td>
<td>5.50</td>
<td>6.02</td>
<td>5.80</td>
<td>5.74</td>
<td>6.00</td>
<td>5.60</td>
<td>5.49</td>
<td>5.54</td>
</tr>
<tr>
<td>Spanish</td>
<td>6.61</td>
<td>6.72</td>
<td>6.85</td>
<td>7.59</td>
<td>7.54</td>
<td>7.18</td>
<td>7.20</td>
<td>7.28</td>
<td>6.94</td>
<td>6.78</td>
<td>6.86</td>
<td>7.07</td>
</tr>
<tr>
<td>Combined</td>
<td>5.86</td>
<td>5.85</td>
<td>5.79</td>
<td>6.37</td>
<td>6.05</td>
<td>6.18</td>
<td>6.13</td>
<td>6.39</td>
<td>6.16</td>
<td>6.08</td>
<td>5.93</td>
<td>6.26</td>
</tr>
</tbody>
</table>

GOAL: 7 minutes or less
The graphs below consolidate the total number of members assigned by PCP grouping.

*UNASSIGNED includes Share of Cost, Newly Eligible and Other Insurance*
Provider Portal / Call Center Usage

Authorization Request/Inquiries

- Feb-14: Call Center 1276, Portal 937
- Mar-14: Call Center 1333, Portal 1104
- Apr-14: Call Center 1571, Portal 1123

Claim Inquiries

- Feb-14: CALL CENTER 3099, PORTAL 11583
- Mar-14: CALL CENTER 3385, PORTAL 14535
- Apr-14: CALL CENTER 4888, PORTAL 26387

Member Eligibility Inquiries

- Feb-14: IVR 563, PORTAL 59928
- Mar-14: IVR 622, PORTAL 66563
- Apr-14: IVR 625, PORTAL 68632

Provider Portal New Registration

- Feb-14: 59
- Mar-14: 73
- Apr-14: 66
Provider Site Visit Tracking

April 2014

Provider Service Representatives routinely visit provider offices. These visits create opportunities for providers to ask questions and for the representatives to deliver current information and materials. Visits may be pre-scheduled at the providers request to discuss specific issues or concerns and may include representation from other GCHP business areas.

Note: March and April site visits dropped as a result of staffing shortage and staffing changes. The department is now adequately staffed and team members are being trained. GCHP anticipates that these numbers will normalize during second quarter.

![Provider Site Visit Totals](chart)

<table>
<thead>
<tr>
<th></th>
<th>Feb-14</th>
<th>Mar-14</th>
<th>Apr-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>29</td>
<td>18</td>
<td>6</td>
</tr>
</tbody>
</table>
AGENDA ITEM 4c

To: Gold Coast Health Plan Commission

From: Dr. Nancy Wharfield, Associate Chief Medical Officer

Date: May 19, 2014

Re: Health Services Update

Inpatient Utilization
Inpatient days/1000 members showed a seasonal spike in December 2013.

Inpatient days/1000 members and average length of stay calculations are based on paid claims and are lagged by 3 months to allow for run-out of claims data. Administrative days are included in these calculations. Dual eligible members, SNF, and LTC data are not included in this data.

![Bed Days Per 1000 Chart](chart.png)
Average Length of Stay
Average length of stay showed a peak in December of 2013 consistent with increased bed days/1000 for this month.

Readmission rate
The 30 day all cause readmission rate has plateaued for the last 3 quarters.
ER Utilization
A seasonal winter spike of emergency room utilization is again demonstrated for January 2014. Health Educators and Care Managers continued to reach out to our highest utilizing members. Gold Coast Health Plan is putting a process in place to notify providers about high utilizers assigned to them.

Authorization Requests
In the first quarter of 2014, requests for outpatient service increased by about 40% while membership grew by about 20%. Requests for inpatient service were relatively stable for the same time period. Among the Medi-Cal expansion members new to Gold Coast Health Plan since Jan 1, 2014, service requests for L1 members predominate.
Gold Coast Health Plan Authorizations by Aid Code
January - March 2014

**Authorizations by Aid Code**

- All Other Aid Codes: 84.56%
- 7U/7W: 8.50%
- L1: 11.22%
- M1: 3.71%

- 7U/7W: 44
- L1: 982
- M1: 150
- All Other Aid Codes: 7,576
- Total Authorizations: 8,751

**Inpatient Authorizations**

- All Other Aid Codes: 42%
- 7U/7W: 3%
- L1: 7%
- M1: 3%

- 7U/7W: 8
- L1: 176
- M1: 31
- All other Aid Codes: 2,358
- Total Inpatient Auths: 2,572

**Outpatient Authorizations**

- All Other Aid Codes: 84%
- 7U/7W: 1%
- L1: 13%
- M1: 2%

- 7U/7W: 36
- L1: 806
- M1: 119
- All Other Aid Codes: 5,218
- Total Outpatient Auths: 6,179
Authorization Denial Rate

Calculation based on service level

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Denied Authorizations</th>
<th>All Authorizations</th>
<th>Denial Rate (Exclusions: D83, D86, D88, D90, D92, D93)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 - 2013</td>
<td>502</td>
<td>14,369</td>
<td>3.49%</td>
</tr>
<tr>
<td>Q2 - 2013</td>
<td>568</td>
<td>14,299</td>
<td>3.97%</td>
</tr>
<tr>
<td>Q3 - 2013</td>
<td>597</td>
<td>13,393</td>
<td>4.46%</td>
</tr>
<tr>
<td>Q4 - 2013</td>
<td>365</td>
<td>13,535</td>
<td>2.70%</td>
</tr>
<tr>
<td>Q1 - 2014</td>
<td>631</td>
<td>15,732</td>
<td>4.00%</td>
</tr>
</tbody>
</table>

Denial Rate

Excluding: D83

Duplicate Request:
- D86
- D88
- D90
- D92
- D93

Prior Authorization not Obtained
(rebro)
Member not Eligible
Rescinded Request
CCS Approved Case
Authorization not approved -
Other Health Coverage
Grievances and Appeals
The number of grievances is constant from Quarter 4 2013 to Quarter 1 2014. Appeals increased from Quarter 4 2013 to Quarter 1 2014 but the overall number remains low.

<table>
<thead>
<tr>
<th>Grievances</th>
<th>Q4 2013</th>
<th>Q1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Clinical</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Grievances /1,000 member months</td>
<td>0.03</td>
<td>0.08</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appeals</th>
<th>Total</th>
<th>Approved</th>
<th>Denied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter 4 2013</td>
<td>1</td>
<td>1 (100%)</td>
<td>0</td>
</tr>
<tr>
<td>Quarter 1 2014</td>
<td>5</td>
<td>1 (20%)</td>
<td>4 (80%)</td>
</tr>
</tbody>
</table>

Report Card
The 2014 Gold Coast Health Plan Provider Report Card reflecting data for January through December 2013 has been distributed to Medical Directors and administrators of clinics systems and to independent providers.


Distribution of the report card was followed by an invitation to discuss its content in detail in person or on the phone. During these meetings, providers/clinic systems are offered the opportunity to obtain detailed lists of members described in the metrics.
Date: xx/xx/xxxx

To: XXX (Clinic System)/Administrator/MD

From: Nancy Wharfleld, MD
Medical Director, Health Services
Gold Coast Health Plan

Re: Gold Coast Health Plan 2014 Provider Report Card

Attached please find the Gold Coast Health Plan (GCHP) 2014 Provider Report Card which reflects information collected for January through December 2013.

This is intended to be an informational tool which will enable providers to have an overview of care provided to our members.

Enclosed you will find the following:

1. Data Definitions – This includes a description of how each metric is defined in the report card.

2. Report Card – This summary page details each defined metric for each clinic. The metrics described are:
   - Members prescribed medication with diversion potential
   - ER Utilization
   - Members with >3 ER visits/quarter
   - Inpatient utilization
   - Assigned members never seen

3. Metric Details – This view provides a comparison of clinics within your system. Your results are also compared to results across data for all GCHP members. Bar graphs represent total number of members. Please cross reference the summary page for percentage of members.

4. How to Use Your Report Card – This section explains the importance of a measure, details contractual obligations, and suggests resources for improving your scores.

I will be contacting you shortly to set aside time to discuss the Report Card findings and how we can work together to improve care for our members. At that time, we can also discuss how we can provide information about individual members flagged in our metrics.

Thank you for taking the time to review the attached materials.
Gold Coast Health Plan
SM
A Public Entity

2014

PROVIDER REPORT CARD
DATA DEFINITIONS

Medinsight, GCHP's data warehouse, is the source of all data used for this report card.

Average number of assigned members/month
This is the average number of patients assigned to a clinic or PCP in a month for January through December 2013.

Members prescribed medication with diversion potential
In order to capture the most current information, data was pulled for the period of July through December 2013. Data was pulled for members using the drugs commonly associated with potential fraud, waste and abuse: opioids, antianxiety, stimulants, and sleep aids. Members were flagged and considered at risk for potential overutilization of medications when any one of the following parameters was met:

- Utilizing greater than 2 pharmacies in a 6 month period
- Utilizing greater than 2 prescribers in a 6 month period
- Utilizing greater than 6 long-acting opioids in a 6 month period
- Utilizing greater than 7 short-acting opioids in a 6 month period
- Utilizing the ER greater than 7 times in a 6 month period

Members receiving anti-neoplastic medications were excluded from this category.

ER utilization
This represents the number of ER visits for assigned members for January through December 2013.

Members with >3 ER visits/quarter
Members with >3 ER visits in any quarter January through December 2013 were flagged for this metric.

Inpatient utilization
This is a count of patients assigned to a clinic or PCP who had acute inpatient hospital admissions January through December 2013. Skilled nursing facility, acute inpatient rehabilitation, subacute, or long term care stays were excluded from this category.

Assigned members never seen
Members with 120 days of continuous eligibility and assignment to a clinic or provider without encounter data were included in this metric.
Members Rx'd Medication With Diversion Potential

Lowest (0%)

Highest (1.81%)

Weighted Average (55%)

ALL: GCHP MEMBERS
MEMBERS WITH >3 ER VISITS

Lowest (0%)  Highest (1.39%)
HOW TO USE YOUR REPORT CARD

Members prescribed medication with diversion potential Drug diversion is the use of prescription medications for unintended purposes, such as recreation, addiction, or financial gain. Primary care providers can help us prevent medication diversion with measures like medication agreements and prescription protection measures. Gold Coast Health Plan (GCHP) can help by providing you with the list of your members who have been flagged for highest risk of drug diversion. Helpful information about drug diversion is available at:


ER Utilization and Members with >3 ER visits/quarter
The introduction of managed care in Ventura County for the Medi-Cal beneficiaries has had a positive impact on this population’s ER utilization. From a peak of 608 visits/1000 members in January of 2012, the ER utilization for GCHP members has fallen to below 400 visits/1000 members since August of 2013. By educating our members about the importance of a relationship with you, their primary care physician, and about what constitutes a true emergency, GCHP hopes to reduce the inappropriate use of the ER even further. GCHP has programs in place to address ER utilization. These programs include the Care Management program which helps coordinate care for our most fragile members, the Transition Care program for members who have had a recent acute hospital admission, and the Health Navigator program which reaches out to members with the highest utilization of the emergency room. To assist you in helping us with this effort, GCHP can provide you with a list of members in your practice who frequently utilize the emergency room.

Inpatient Utilization
Good care and appropriate follow-up with a member’s primary care provider has been shown to optimize health status. While not all hospital stays can be prevented, frequent re-hospitalization can be reduced with immediate primary care follow-up at discharge. In an effort to assist you in reducing the readmission rate for your members, GCHP is putting in place a program to notify you by fax or mail when one of your patients is in the hospital. We are requesting your cooperation in scheduling an appointment with these members within 72 hours of discharge. The single most effective intervention in reducing readmission is the follow-up visit to the PCP within that 72 hour period. Review of the discharge plan, medication regimen, and assessment of the member’s ability to remain in the outpatient setting is critical to maintaining health status and preventing readmission.
Assigned Members Never Seen
A member's strong relationship with their primary care provider leads to better health outcomes and lower utilization of resources. GCHP providers are contractually required to complete an Initial Health Assessment (IHA) for new members within 120 days of assignment. We have recently developed a system to make it easier to identify new members assigned to you. The list of newly assigned members will be emailed or faxed to you. We hope that this will assist you in quickly establishing a relationship with newly assigned members.
AGENDA ITEM 5a

To: Gold Coast Health Plan Commission

From: Michael Engelhard, CEO

Date: May 19, 2014

RE: GCHP Priorities & Initiatives for FY 2014-15 Budget Planning

To facilitate development of the FY 2014-15 budget, staff assembled potential key programs or initiatives that may be required or desired to be undertaken over the next three years. Staff evaluated multiple factors to determine what work may or will be required in 2014, 2015 and 2016, including:

1. State Medi-Cal program changes
2. Federal health care reform
3. Corrective Action Plan fixes requiring ongoing work
4. Quality improvement plans and disease management programs
5. Expanded infrastructure and process improvement
6. Increased caseload from higher enrollment and acuity
7. Increased compliance and oversight to address greater regulatory examinations

A chart showing this high-level three-year outlook is shown as Attachment A. This outlook was developed based on currently available information. If state or federal requirements change, staff will respond to the changing regulatory environment and re-prioritize projects and initiatives as needed.

Based on the three-year outlook, staff identified a list of budget priorities for FY 2014-15. This is shown as Attachment B.

The projects are a mix of regulatory and contractual requirements, as well as operational and technology initiatives targeted to improve quality for the Plan’s members, and further improve business processes and operational efficiencies.

The list also includes an evaluation of the Plan’s two largest contracts – Scriptcare, GCHP’s Pharmacy Benefits Manager (PBM), and Xerox / ACS, the Plan’s Administrative Services Organization (ASO). Both of these contracts have termination dates of June 30, 2016. From a risk perspective, staff determined it was not practical to put both contracts out for bid via an RFP process and potentially have simultaneous conversions occur should both incumbents not be awarded a new contract via the RFP process. Therefore, it is staff’s intention to recommend the extension of one of these two major contracts and to
develop an RFP for the other. There is not a recommendation at this time on either contract.

FY 2014-15 PROPOSED PROJECTS AND BUDGET PRIORITIES:

- **ICD-10 Readiness**: Transition all systems and providers from ICD-9 to ICD-10 by the revised Center for Medicaid and Medicare Services (CMS) mandated date of October 15, 2015.

- **Disease Management (DM) Program**: Contractually required. Introduce formal DM program to better manage health outcomes for targeted member population. The initial DM program will focus on diabetes and will benefit roughly 10,000 members and help build a model for other diseases (CHF, COPD, and Prenatal).

- **Member Satisfaction**: Gauge and measure member satisfaction with GCHP, as requested by the Commission.

- **Grievance & Appeals Optimization**: Enhance grievance and appeals processes to ensure sustained regulatory and contractual compliance.

- **Xerox / ACS Service Organization Control (SOC) Audit**: Recommended by Plan financial auditor.

- **Encounter Data Improvement Project (EDIP)**: Contractual requirement for State EDIP initiative. The State requires managed care plans to submit complete, accurate, timely and reasonable encounter data in a HIPAA compliant file format.

- **Delegation & Oversight Framework**: Institute standard delegation and oversight requirements, policies, and procedures for establishing provider contracts.

- **Business Continuity Planning**: Contractual requirement to draft plan for critical business process resumption in event of emergency.

- **Disaster Recovery Planning**: Contractual requirement to draft plan for data and system recovery in event of emergency for business critical functions.

- **Crossover Claims**: Further optimizes claims processing accuracy and efficiencies to appropriately handle claims where a portion is covered by Medicare.

- **Operationalize Information Security Program** – Required to ensure ongoing HIPAA (Health Insurance Portability and Accountability Act-1996) and HITECH
(Health Information Technology for Economic and Clinical Health Act-2009) compliance.

- **Social Media Policy & Roadmap:** Establish a communication strategy via social media platforms to members, providers and the general community.

- **ACA Core Administrative Simplification Rules (CORE):** Regulatory requirement to utilize standard electronic transaction sets as defined under the Affordable Care Act.

- **HR Flexible Work Program:** Implement initiatives to attract and retain staff. Under consideration are a telework strategy, employee recognition, and flexible work schedules

- **ASO or PBM RFP:** Vendor evaluation and RFP for Xerox / ACS (ASO) or Scriptcare (PBM). Both contracts expire in June 2016.

- **MedHOK ACG-Risk Stratification:** Implement MedHOK ACG module for member risk stratification. (Included in MedHOK MMS Implementation budget).

- **Provider Contracts & Capitation Rebasing Evaluation:** Evaluation of provider capitation rates and / or other reimbursement mechanisms.

- **MedHOK Provider Portal:** Implement MedHOK provider portal to streamline provider online experience for eligibility and claim inquiries, and authorization requests. Supports Plan “valued and trusted partner” strategy.

- **Provider Credentialing System (PCS) RFP & Implementation:** Selection and procurement of provider data and credentialing management software.

GCHP intends to hold a strategic planning session with the Commission later this calendar year to gain insight and concurrence on the Plan’s overall three or five year strategy.
(Health Information Technology for Economic and Clinical Health Act-2009) compliance.

- **Social Media Policy & Roadmap:** Establish a communication strategy via social media platforms to members, providers and the general community.

- **ACA Core Administrative Simplification Rules (CORE):** Regulatory requirement to utilize standard electronic transaction sets as defined under the Affordable Care Act.

- **HR Flexible Work Program:** Implement initiatives to attract and retain staff. Under consideration are a telework strategy, employee recognition, and flexible work schedules.

- **ASO or PBM RFP:** Vendor evaluation and RFP for Xerox / ACS (ASO) or Scriptcare (PBM). Both contracts expire in June 2016.

- **MedHOK ACG-Risk Stratification:** Implement MedHOK ACG module for member risk stratification. (Included in MedHOK MMS Implementation budget).

- **Provider Contracts & Capitation Rebasing Evaluation:** Evaluation of provider capitation rates and / or other reimbursement mechanisms.

- **MedHOK Provider Portal:** Implement MedHOK provider portal to streamline provider online experience for eligibility and claim inquiries, and authorization requests. Supports Plan “valued and trusted partner” strategy.

- **Provider Credentialing System (PCS) RFP & Implementation:** Selection and procurement of provider data and credentialing management software.

GCHP intends to hold a strategic planning session with the Commission later this calendar year to gain insight and concurrence on the Plan’s overall three or five year strategy.
## ATTACHMENT A: GCHP 3-Year Outlook (DRAFT)

<table>
<thead>
<tr>
<th>Programs</th>
<th>2014/2015</th>
<th>2015/2016</th>
<th>2016 and beyond</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP/Bridge</td>
<td>Yr. 1</td>
<td>Yr. 2</td>
<td>Yr. 3 and beyond</td>
</tr>
<tr>
<td>CCS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- MLTSS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Duals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCQA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knox Keene – Required for Bridge</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QI &amp; Care Management</td>
<td>HEDIS/Quality Improvement Programs/NCQA Processes</td>
<td>Population Management Strategy</td>
<td>Network Contracting Strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>24-hr Nurse Hotline - Evaluation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>HIT Strategy – Telehealth/eConsult</td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR Strategy</td>
<td>“Best Place to Work” Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PBM (Scriptcare) – Expires 6/2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance</td>
<td>Delegation Oversight Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operations</td>
<td>Privacy/Information Security Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Involvement</td>
<td>“Valued and Trusted Partner” (Easy to do business with) Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Analytics &amp; Finance</td>
<td>Encounter Data Improvement</td>
<td>Data Governance Strategy</td>
<td>BI Tool Evaluation</td>
</tr>
<tr>
<td></td>
<td>Data Warehouse Optimization</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TNE Strategy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology eBusiness</td>
<td>Provider Portal Strategy</td>
<td>Member Portal Strategy</td>
<td>Vendor ePayment</td>
</tr>
<tr>
<td>Systems and Tools Infrastructure</td>
<td>Ancillary Systems Evaluation</td>
<td>Mobile and Collaboration Strategy</td>
<td></td>
</tr>
<tr>
<td>Community Based IT Strategy</td>
<td>Data Center Strategy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Optional/Uncertain

- CCS into Managed Care (1115 Waiver)
- CCI - MLTSS
- CCI - Duals
- NCQA Certification
- BHP/Bridge Plan (CY2015 – Not Likely; CY2016 – Recommended)
- Knox Keene License
- Knox Keene License

### Notes

- Optional/Uncertain
- HIE (Health Information Exchange)
Attachment A Glossary:

**Basic Health Plan (BHP):** BHP is an optional program created by the federal Affordable Care Act (ACA). Through BHP states can offer health coverage to individuals transitioning out of Medicaid. BHP covers individuals with annual incomes between 133 and 200 percent of the Federal Poverty Level (FPL). Benefits under BHP include the ten essential health benefits mandated by the ACA. The ten essential benefits include:

- Outpatient care
- Emergency room visits
- Mental health and substance use disorder services
- Prescription drugs
- Durable medical equipment needed for recovery
- Lab tests
- Pre and postnatal care
- Pediatric services

**Bridge Plan:** Due to a delay in BHP final rules being issued, California created the Bridge Plan for individuals transitioning out of Medi-Cal with annual incomes between 139 and 250 percent of the FPL. The Bridge Plan includes the ten essential health benefits covered under BHP. In order for health plans to participate in this program they must be a Qualified Health Plan.

Under the Affordable Care Act, a Qualified Health Plan is an insurance plan that is certified by the Health Insurance Marketplace, provides essential health benefits, follows established limits on cost-sharing (like deductibles, copayments, and out-of-pocket maximum amounts), and meets other requirements. A qualified health plan will have a certification by each Marketplace in which it is sold.

**California Children Services (CCS):** Provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with CCS-eligible medical conditions.

**Coordinated Care Initiative (CCI):** This initiative is comprised of two programs, Cal MediConnect and Managed Long-Term Services and Supports (MLTSS). Under CCI these two programs will be streamlined and administered by a designated Medi-Cal Managed Care Plan (MCP).

**Dual Beneficiaries** are eligible for both Medicare and Medi-Cal. Under Cal MediConnect, dual beneficiaries’ Medi-Cal benefits are required to be managed by an MCP. However, dual beneficiaries can choose to keep and use their Medicare benefits on a fee-for-service (FFS).

**Managed Long-Term Services and Supports (MLTSS):** Refers to the delivery of long term services and supports through capitated Medicaid managed care programs. Increasing numbers of States are using MLTSS as a strategy for expanding home- and community-based services, promoting community inclusion, ensuring quality and increasing efficiency. Includes home- and community-based services such as In-Home Supportive Services (IHSS), Community-Based Adult Services (CBAS), and the Multipurpose Senior Services Program (MSSP).

**National Committee for Quality Assurance (NCQA):** An independent, not-for-profit organization dedicated to assessing and reporting on the quality of managed care plans. The NCQA provides Health Plan Accreditation which identifies Qualified Health Plans eligible to participate in state health insurance exchange marketplaces.

**Knox Keene License – required for Bridge Plan Program Participation.** A Knox Keene License is granted by the California Department of Managed Health Care to regulate health care service plans. This license ensures that these organizations meet certain minimum standards and gives plans authorization to conduct business in California.
ATTACHMENT B: GCHP FY2014/2015
Proposed Projects

Legend:
Dark Blue – Infrastructure
C: Compliance
O: Operations
CI: Community Involvement
MCR: Major Contracts Review
Light Blue – QI/Care Management
Purple – Data & Analytics
Orange – IT

* Regulatory Requirement
** CAP Requirement
*** Contract Requirement
Draft Fiscal Year 2014-15 Budget

Commission Meeting

Michelle Raleigh, CFO

May 19, 2014
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Updates</td>
<td>5</td>
</tr>
<tr>
<td>Highlights</td>
<td>6</td>
</tr>
<tr>
<td>Projects</td>
<td>7</td>
</tr>
<tr>
<td>Membership</td>
<td>8</td>
</tr>
<tr>
<td>Revenue</td>
<td>11</td>
</tr>
<tr>
<td>Health Care Costs</td>
<td>13</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>16</td>
</tr>
<tr>
<td>Capital Budget</td>
<td>23</td>
</tr>
<tr>
<td>Tangible Net Equity</td>
<td>24</td>
</tr>
<tr>
<td>Next Steps</td>
<td>26</td>
</tr>
</tbody>
</table>
Gold Coast Health Plan’s (GCHP) FY2013-14 (7/1/14-6/30/15) draft budget is summarized in this document and reflects the following major assumptions:

- **Membership Growth & Mix Changes** – impacts all areas of the budget including revenue and health care costs
- **Health Care Cost Changes** – reflective of recent Plan experience with estimates of known State policy changes and new Hepatitis C drug
- **Projects Needs** – incorporates Plan-wide proposal of projects to focus on during the next fiscal year
- **Ongoing compliance** - includes ongoing Plan support of 2012/2013 Corrective Action Plans (CAPs) and Medical Loss Ratio Evaluation (MLRE)
Pending items potentially impacting FY2014-15 Budget:

- Final State capitation rates, including updates to Adult Expansion rates
- State’s FY2014-15 May revise and final budget (e.g., statewide formulary?)
- Ongoing Plan analyses of budget assumptions
Updates

Changes Since the May 7, 2014 Executive / Finance Meeting:

• Membership and revenue updated and reflective of change in category definitions

• Administrative expenses updated based on ongoing Plan analysis of departmental budgets

• Additional budget components are provided (e.g., health care costs and tangible net equity (TNE))
• 2 year growth: average monthly enrollment up 50%; revenue up 78%
• Staffing, support and compliance costs increasing along with caseload growth and mix changes

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Monthly Enrollment</strong></td>
<td>101,991</td>
<td>129,064</td>
<td>152,487</td>
</tr>
<tr>
<td><strong>Premium Revenue</strong></td>
<td>$315,120</td>
<td>$408,163</td>
<td>$560,232</td>
</tr>
<tr>
<td><strong>Health Care Costs</strong></td>
<td>$280,383</td>
<td>$362,792</td>
<td>$514,015</td>
</tr>
<tr>
<td><strong>Administrative Expense</strong></td>
<td>$24,014</td>
<td>$26,293</td>
<td>$33,698</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$10,723</td>
<td>$19,078</td>
<td>$12,519</td>
</tr>
</tbody>
</table>

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MCR</strong></td>
<td>89.0%</td>
<td>88.9%</td>
<td>91.8%</td>
</tr>
<tr>
<td><strong>ACR</strong></td>
<td>7.6%</td>
<td>6.4%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Administrative Expense - PMPM</strong></td>
<td>$19.62</td>
<td>$16.98</td>
<td>$18.42</td>
</tr>
</tbody>
</table>

**TNE**                         | $11,891    | $30,969                | $43,487           |

* Reflects actual experience through 3/31/14 and estimates from 4/1/14 to 6/30/14
** TNE includes $7.2M in lines of credit
Projects

GCHP staff has identified the following projects to focus on for FY2014-15 (as discussed in today’s agenda)
Membership

- Average monthly membership is expected to grow by over 18% from the current fiscal year
  - New Adult Expansion populations (e.g., LIHP, Medi-Cal Expansion, CalFresh adults) driving growth

- Note:
  - Adult/Family membership growing likely due to increased outreach/media attention on health insurance/exchange
  - Dual/SPD membership growing likely due to aging population
  - State changed aid category definition of “Dual”, resulting in shift of members from “Dual” to “SPD”, change reflected in results as of 4/1/14
  - TLIC full transition occurred on 8/1/2013, will be combined with children within Adult/Family category, pending additional information from State
  - AE membership began 1/1/14 with LIHP transition and other Medi-Cal Expansion members, including CalFresh adults. Plan estimates to have 21,600 AE members on 7/1/14 and grow to 24,614 members by 6/30/15
## Membership

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Stated in Averaged Member Months)</td>
<td>Membership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adult/Family</td>
<td>73,714</td>
<td>73,639</td>
<td>77,478</td>
<td>77,584</td>
</tr>
<tr>
<td>Dual</td>
<td>17,672</td>
<td>18,096</td>
<td>19,046</td>
<td>19,072</td>
</tr>
<tr>
<td>SPD</td>
<td>9,302</td>
<td>9,801</td>
<td>10,961</td>
<td>10,976</td>
</tr>
<tr>
<td>Traditional Medi-Cal</td>
<td>100,689</td>
<td>101,535</td>
<td>107,484</td>
<td>107,632</td>
</tr>
<tr>
<td><strong>Total Average Membership</strong></td>
<td><strong>101,991</strong></td>
<td><strong>129,064</strong></td>
<td><strong>152,487</strong></td>
<td><strong>154,295</strong></td>
</tr>
</tbody>
</table>

### Annual Percentage Growth - Traditional Medi-Cal

- Traditional Medi-Cal: 0.8% 5.9%

### Annual Percentage Growth - Entire Population

- Total Average Membership: 26.5% 18.1%

* Member categories have been grouped to include as follows: Senior and persons with disabilities (SPD) includes Aged-Medi-Cal, Disabled-Medi-Cal, Long-term Care-Medi-Cal, and Breast and Cervical Cancer Treatment Plan (BCCTP). Dual (includes Aged-Dual, Disabled-Dual, and Long-term Care-Dual). Other member categories include: Targeted Low Income Children (TLIC), and Adult Expansion (AE). State definition of dual changed (from being defined as having any part of Medicare coverage to being defined as having all three parts of Medicare coverage) and is reflected on 4/1/14 in these results.
Members by Aid Category By Fiscal Year Quarter

- Actual
- Budget

- Adult / Family
- SPD
- Dual
- TLIC
- AE
Revenue

• Draft FY2014-15 Revenue Assumptions:
  – Most recent State capitation rates approved by Commission are assumed to stay constant throughout FY2014-15 (actual rates not known until after start of fiscal year),
    • CBAS - expect further updates to reflect full implementation
    • Mental health – incremental increases included
  – Adult Expansion rates will be recalculated during the next fiscal year – timing, process, and methodology pending from the State
  – As in prior financials, the following items were not included in the budget because the funds are passed through to other entities:
    • Sales Tax (SB78)
    • Hospital Quality Assurance Fee (HQAF)
    • AB85 provider payments
  – Pending or unknown items:
    • ACA 1202 Payments & Reconciliation
    • FY2012-13 IGT
    • Adult Expansion rate recalculation
## Membership Mix and Revenue Impact

Revenue Mix Being Driven by Adult Expansion Population

<table>
<thead>
<tr>
<th></th>
<th>Members FY 13-14</th>
<th>Revenue FY 13-14</th>
<th>Members FY 14-15</th>
<th>Revenue FY 14-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult / Family</td>
<td>57%</td>
<td>30%</td>
<td>51%</td>
<td>22%</td>
</tr>
<tr>
<td>SPD</td>
<td>16%</td>
<td>26%</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>Dual</td>
<td>14%</td>
<td>5%</td>
<td>12%</td>
<td>16%</td>
</tr>
<tr>
<td>TLIC</td>
<td>6%</td>
<td>17%</td>
<td>7%</td>
<td>4%</td>
</tr>
<tr>
<td>AE</td>
<td>8%</td>
<td>23%</td>
<td>22%</td>
<td>22%</td>
</tr>
</tbody>
</table>

*Note: The chart shows the percentage distribution of membership and revenue mix for FY 13-14 and FY 14-15, highlighting the impact of adult expansion population.*
Health Care Costs

- Initial FY2014-15 Health Care Cost assumptions include the following:
  - Base experience - 12 months of historical experience utilized by major category of service
  - Provider contracting changes – Adult Expansion PCP and Specialty capitation rates being implemented 6/1/2014
  - Mandatory Long-Term Care rate changes - Estimated 3% AB1629 facility provider rate increases reflected as of 8/1/2014 as per State budget
  - Mental Health costs – increased according to State rate assumptions
  - Pharmacy costs - reflected expected adjustments based on audits and assumed utilization of new Hepatitis C drug (Sovaldi)
    - Estimated cost to be $4.5 million
    - Adjusted for carved-out benefit (e.g., blood factor drugs) of approximately $900,000
  - TLIC population – continue to estimate costs from State rates, pending impact of Milliman analysis
  - Adult Expansion population – continue to estimate costs from State rate worksheets – due to insufficient claims data to date
  - Care management staffing discussed on page 19
Health Care Costs

- Items pending further information/analyses:
  - Potential savings from projects (e.g., cross-over claims) and increases from projects (e.g., provider reimbursement strategy)
  - Health care cost trends
  - Net reinsurance costs pending new reinsurance market search information
  - Overall allocation of dollars between medical and administrative pending results of State’s MLRE
Health Care Costs

- Health care costs expected to grow by 42% from current fiscal year
- Adult Expansion population driving 96% of total health care cost increase

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitation *</td>
<td>$11,159</td>
<td>$21,355</td>
<td>$30,539</td>
</tr>
<tr>
<td>Inpatient</td>
<td>$134,986</td>
<td>$160,696</td>
<td>$209,909</td>
</tr>
<tr>
<td>Outpatient</td>
<td>$39,489</td>
<td>$53,003</td>
<td>$73,832</td>
</tr>
<tr>
<td>Professional/Mental Health</td>
<td>$28,642</td>
<td>$34,777</td>
<td>$41,198</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>$41,118</td>
<td>$57,131</td>
<td>$100,177</td>
</tr>
<tr>
<td>Other **</td>
<td>$17,430</td>
<td>$26,018</td>
<td>$45,744</td>
</tr>
<tr>
<td>Care Management</td>
<td>$7,557</td>
<td>$9,811</td>
<td>$12,617</td>
</tr>
<tr>
<td>**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$280,383</td>
<td>$362,792</td>
<td>$514,015</td>
</tr>
</tbody>
</table>

Total Health Care Costs in PMPM

<table>
<thead>
<tr>
<th></th>
<th>FY 2011-12</th>
<th>Projected FY 2012-13</th>
<th>Budget FY 2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$230.82</td>
<td>$234.25</td>
<td>$279.38</td>
</tr>
</tbody>
</table>

* Includes PCP, Specialty, Non-emergency transportation, and Vision

** Other claims include all other fee-for-service expenses, reinsurance and transportation expenses
Administrative Expenses

- Departments produced initial budgets and staffing requests – currently being reviewed by Plan Leadership
- Plan needs to fund:
  - Growing membership with change in member mix
  - Achieving and maintaining ongoing CAP requirements
  - Increased regulatory and compliance needs
  - Projects needs
  - Building of infrastructure
- Initial estimate of Administrative Cost Ratio (administrative expense as a percentage of revenue) range from 6.0% to 6.5%
- MLRE being performed by State may impact how expenses are classified
- ACS fees increase due to increased enrollment but partially offset by lower per member fee
## Administrative Expenses Crosswalk

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013-14 Administrative Expense Budget</th>
<th>FY 2014-15 Administrative Expense Budget</th>
<th>Increase in Administrative Expense Budget Request</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expense Budget</td>
<td>$ 26,293,000</td>
<td>$ 33,698,000</td>
<td>$ 7,405,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Growth-based and Required Expenses:

- ACS                                                                       | $ 1,965,000                             |
- Beacon Health                                                             | 700,000                                 |
- Facilities expenses associated with a larger office                      | 342,000                                 |

### Projects:

- Info Security Program for HIPAA compliance                               | $ 150,000                               |
- ICD-10                                                                    | 258,000                                 |

| Total Growth-based and Required Expenses                                   | $ 408,000                               | $ 408,000                               | $ 3,415,000                                   | 46%         |

### Other Administrative Expenses:

- Personnel expenses                                                        | $ 4,168,000                             |
- Professional services                                                      | (758,000)                               |
- Operating expenses                                                        | 580,000                                 |

| Total Other Administrative Expenses                                         | $ 3,990,000                             |                                        |                                               | 54%         |
GCHP estimated administrative cost ratio (ACR) is in line with other plans of GCHP size.

Administrative Cost Ratio for Medi-Cal Plans in California

Plotted as ACR versus Annual Revenues (from DMHC 2013 Annual filings)

- GCHP 6.0% - 6.50%
• Staffing needs increase due to growth in membership and mix changes, ongoing compliance/regulatory/CAP needs, and building of infrastructure

<table>
<thead>
<tr>
<th></th>
<th>6/30/14 Estimated FTE</th>
<th>6/30/15 Estimated FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical *</td>
<td>52</td>
<td>57</td>
</tr>
<tr>
<td>Non-Medical</td>
<td>88</td>
<td>113</td>
</tr>
<tr>
<td>Total</td>
<td>140</td>
<td>170</td>
</tr>
</tbody>
</table>

• Health plan benchmarks range from 7,500 - 13,300 members served per employee (GCHP estimated at 14,900 members served per employee)
• Salaries consistent with pay grades/ranges approved by the Commission
• Merit increases and employee appreciation and recognition programs included

* Categorized financially as part of medical costs, not administrative costs.
Vendors contracts expected to be over $100K annually:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Services Provided</th>
<th>Projected FY 2013-14</th>
<th>Budget FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>Health care administrative services</td>
<td>$12,731,000</td>
<td>$13,787,000</td>
</tr>
<tr>
<td>Scriptcare Ltd. *</td>
<td>Pharmacy benefits management</td>
<td>$3,397,000</td>
<td>$4,677,000</td>
</tr>
<tr>
<td>Insurance Vendors</td>
<td>Business insurance (not including reinsurance)</td>
<td>$179,000</td>
<td>$253,000</td>
</tr>
<tr>
<td>Lease Expense</td>
<td>Office space</td>
<td>$757,000</td>
<td>$772,000</td>
</tr>
<tr>
<td>Beacon Health Strategies, LLC</td>
<td>Outsourced mental health benefit management</td>
<td>$306,000</td>
<td>$1,006,000</td>
</tr>
<tr>
<td>CIO Solutions</td>
<td>IT network management services</td>
<td>$334,000</td>
<td>$107,000</td>
</tr>
<tr>
<td>Coffey Communications Inc.</td>
<td>Website content</td>
<td>$112,000</td>
<td>$95,000</td>
</tr>
<tr>
<td>Crossroads Staffing Services</td>
<td>Temporary labor provider and personnel recruiter</td>
<td>$235,000</td>
<td>$139,500</td>
</tr>
<tr>
<td>MCG Health, LLC *</td>
<td>Milliman Guidelines license fee</td>
<td>$178,000</td>
<td>$260,000</td>
</tr>
<tr>
<td>Milliman</td>
<td>MedInsight license fee</td>
<td>$134,000</td>
<td>$134,000</td>
</tr>
<tr>
<td>MedHok Healthcare Solutions *</td>
<td>Annual license fee</td>
<td>$975,000</td>
<td>$667,000</td>
</tr>
<tr>
<td>Optimity Consulting</td>
<td>ICD-10 implementation support</td>
<td>$192,000</td>
<td>$258,000</td>
</tr>
<tr>
<td>Quantix Consulting</td>
<td>Temporary staff support</td>
<td>$130,000</td>
<td>-</td>
</tr>
<tr>
<td>Verisk Health Solutions, Inc.</td>
<td>HEDIS support</td>
<td>$96,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

*Vendor noted by * reflect services that are classified as medical expenses
Consulting Contracts

Major consulting contracts estimated to be over $100K annually:

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Duties</th>
<th>Projected FY 2013-14</th>
<th>Budget FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Monitor (BRG)</td>
<td>Performs on-going state monitoring duties</td>
<td>$887,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Actuarial Consultants (Milliman)</td>
<td>Performs assistance related to claims reserving, state rate development, data requests, provider capitation and risk analysis</td>
<td>$164,000</td>
<td>$198,000</td>
</tr>
<tr>
<td>Financial Auditor (McGladrey &amp; Pullen LLP)</td>
<td>Performs financial audit required by the State and answers ongoing questions related to financial statement development</td>
<td>$105,000</td>
<td>$130,000</td>
</tr>
<tr>
<td>Legal Services (Anderson Kil, Kennaday, Leavitt &amp; Dapone PC, Wilke Fleury Hoffelt Gould &amp; Birney, LLP)</td>
<td>Performs support for Commission and Committee meetings, employees issues, contracts review, and litigation support</td>
<td>$572,000</td>
<td>$400,000</td>
</tr>
</tbody>
</table>
Plan Memberships

<table>
<thead>
<tr>
<th>Organization</th>
<th>Projected FY 2013-14</th>
<th>Budget FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Association of Health Plans (CAHP)</td>
<td>$7,000</td>
<td>$7,000</td>
</tr>
<tr>
<td>Association of Community Affiliated Plans (ACAP)</td>
<td>$33,200</td>
<td>$45,000</td>
</tr>
<tr>
<td>California Association of Health Insuring Organizations (CAHIO)</td>
<td>$14,000</td>
<td>$34,000</td>
</tr>
<tr>
<td>Local Health Plans of California (LHPC)</td>
<td>$70,000</td>
<td>$70,000</td>
</tr>
</tbody>
</table>
Initial estimates of new capital expenditures for FY 2014-15 budget are:

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimated Amount to be Capitalized</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT hardware (servers) for business expansion</td>
<td>$135,000</td>
</tr>
<tr>
<td>Data warehouse, storage and security</td>
<td>$170,000</td>
</tr>
<tr>
<td>Provider Credentialing System</td>
<td>$235,000</td>
</tr>
<tr>
<td>Medical Management System – Provider Portal enhancement</td>
<td>$105,000</td>
</tr>
<tr>
<td>Intranet</td>
<td>$25,000</td>
</tr>
<tr>
<td>Office furniture and configuration to accommodate personnel additions</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$770,000</strong></td>
</tr>
</tbody>
</table>

- Capital assets, including office furniture and fixtures, computer equipment, software and leasehold improvements, whose acquisition costs exceed $1,500 are accounted for in the capital budget. Purchases less than $1,500 are included in the administration budget.
- The capital budget assumes our current locations are adequate to absorb staff expansion.
As of 6/30/15,

• the Plan is projected to be at a TNE of $43.5 million, which exceeds the TNE requirement of $25.3 million (171.6% of requirement)
• the TNE requirement is fully phased-in at 100%, since 6/30/14
• the required TNE is higher due to the growth and mix of membership
• the TNE includes $7.2 million related to two lines of credit with the County of Ventura

<table>
<thead>
<tr>
<th></th>
<th>Projected FY 2013-14</th>
<th>Budget FY 2014-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required TNE (100%)</td>
<td>$19,657</td>
<td>$25,339</td>
</tr>
<tr>
<td>GCHP TNE *</td>
<td>$30,969</td>
<td>$43,487</td>
</tr>
<tr>
<td>TNE Excess</td>
<td>$11,311</td>
<td>$18,148</td>
</tr>
</tbody>
</table>

GCHP TNE as a % of Required TNE

157.5% 171.6%

* Above amount includes $7.2M in lines of credit.

Excluding the $7.2 million lines of credit from TNE, GCHP TNE would be:

- **GCHP TNE (without lines of credit)**: $23,769, $36,287
- GCHP TNE as a % of Required TNE: 120.9%, 143.2%
Plan will work with Commission to develop strategy for appropriate TNE levels

% TNE to Required - Public Plans
Q4 2013 (from DHCS Medi-Cal Managed Care Dashboard)
GCHP for Proposed FY2014-15 Budget (year-end TNE values)

<table>
<thead>
<tr>
<th>Target Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Compliance Level</td>
<td>&gt; 100%</td>
</tr>
<tr>
<td>Monthly Monitoring</td>
<td>&lt; 130%</td>
</tr>
<tr>
<td>Formal Watch List</td>
<td>&lt; 150%</td>
</tr>
<tr>
<td>Informal Watch List</td>
<td>&lt; 200%</td>
</tr>
</tbody>
</table>

Optimal Level = 300% to 400%

172% GCHP w/ LOC
143% GCHP w/o LOC

Next Steps

• Update analyses and review budget during June 5th Executive / Finance Committee meeting
• Finalize budget and recommend approval during June 23rd Commission meeting