

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

DATE: Monday, April 13, 2011
TIME: 3:30-5:30 pm
PLACE: 2240 E. Gonzales Road, Suite 200, Oxnard CA 93036

AGENDA

Call to Order, Welcome and Roll Call

Public Comment / Correspondence

1. **[Approve Minutes – March 28, 2011 Meeting](#)** *Action Required*
2. **Accept and File CEO Update** *(verbal)* *For Information*
3. **Accept and File Financial Report:**
 - a. **[Updated Cash Flow](#)** *For Information*
 - b. **[Pre-Operating Budget – Actuals vs. Budget](#)** *Action Required*
 - c. **[Year 1 Financial Plan / Budget](#)** *Action Required*
4. **Management Recommendations:**
 - a. **[Provider Marketing Policy – Draft 2](#)** *For Follow-Up*
5. **[Annual Review of Commission Bylaws](#)** *For Follow-Up*

Comments from Commissioners

Adjourn

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

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

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

March 28, 2011

(Not official until approved)

CALL TO ORDER

Chair Greenia called the meeting to order at 2:35 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

COMMITTEE MEMBERS PRESENT

Lanyard Dial, MD, Ventura County Medical Association
Rick Jarvis, Private Hospitals / Healthcare System
Catherine Rodriguez, Ventura County Medical Health System

EXCUSED / ABSENT MEMBERS

Roberto S. Juarez, Clinicas del Camino Real, Inc.
Vacant Position, Private Hospitals / Healthcare System

STAFF EX OFFICIO COMMITTEE MEMBERS

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

ADDITIONAL STAFF IN ATTENDANCE

Traci R. McGinley, Clerk of the Board
Audra Lucas, Administrative Assistant
Lezli Stroh, Administrative Assistant
Steven Lalich, Communications Director

PUBLIC COMMENT

In response to Bob Rossi's question as to how much the State will save by having the County Organized Health System (COHS), Chair Greenia responded that it is estimated to be approximately \$15 million.

1. APPROVAL OF MINUTES

The Minutes of the March 9, 2011 Executive / Finance Committee Meeting were presented for review and approval.

Committee Member Dial moved to approve the minutes, Member Rodriguez seconded and the motion carried. **Approved 3-0.**

COMMENTS FROM COMMITTEE MEMBERS+

None.

ADJOURNMENT

Chair Greenia adjourned the meeting at 2:37 p.m.

DRAFT

Gold Coast Health Plan Cash Flow Projection- Pre-operational Period November, 2010 through June 2011

Updated 4/08/2011

	January	February	March	April	May	June
Cumulative Enrollment	0	0	0	0	0	0
Total Staff	14	19	24	27	32	33
Incremental Staff Increase	5	5	5	3	5	1
Beginning Cash Balance	443,102	327,432	339,823	89,254	258,436	90,526
Cash In-Flow						
Revenue from State						
Other Funding						
Short Term Loan					250,000	250,000
Subordinated Debt						
ACS - LOC*		265,000	278	525,000	200,000	650,000
Total Receipts						
Total Cash	-	265,000	278	525,000	450,000	900,000
Cash Out-Flows						
Health Care Payments						
Premium Tax						
Total Health Care	-	-	-	-	-	-
Salaries & Benefits	33,192	114,520	149,272	204,060	205,227	234,315
Other Benefits			1,070	5,000	5,000	5,000
Consultants & Temp Labor	6,450	2,525	10,339	10,339	10,339	10,339
RGS Fees*			3,234	4,676	6,688	7,269
Occupancy Office Lease			-	29,280	14,640	14,640
Furniture & Equipment	13,385	30,372	7,740	1,000	1,000	1,000
Computers & Equipment (Capitalized)				21,890		
Computers, Monitors, Printers (Non- Capitalized)	595	50,638	-	4,911	3,600	6,000
Telecommunications Equipment		5,965	6,914	7,165	1,275	2,125
Info Systems - License Fees & Maintenance	38,700			14,486	5,100	5,100
Info Systems - Software			3,607	7,545	3,334	1,000
Travel & Entertainment			2,940	2,940	2,940	2,940
Supplies	4,461	8,604	6,421	7,200	8,100	9,600

DRAFT

Gold Coast Health Plan Cash Flow Projection- Pre-operational Period November, 2010 through June 2011

Updated 4/08/2011

	January	February	March	April	May	June
Dues & Publications			16,576	500	500	500
Phone/Internet		104	406	250	250	250
Outreach & Education				5,500	319,500	365,500
Insurance				7,000	10,000	
Legal fees	2,996	11,200	6,814	3,000	3,000	3,000
Actuary fees	14,600	27,527	26,828	12,000	10,000	5,000
Other fees				6,417	6,417	6,417
Miscellaneous Operating Expenses	1,291	1,154	8,686	659	1,000	1,000
Sub Total Administrative Expense	115,670	252,609	250,847	355,818	617,910	680,995
ENDING CASH BALANCE	327,432	339,823	89,254	258,436	90,526	309,531

LOC Draws are based on the following assumptions:

April - assumes 100% deliverables to the state (phase 1 @ 200K); code, build and configuration will be completed (phase 2 @ 10%), and Provider Network is approved phase 2 @15%)

May - Assumes contract has been signed (Phase 1 @ 200K),

June - Assumes testing is completed (phase 2 @ 20%, Assumes ACS final payment for "go live approval" (phase 2 @ 30%)

Assumes that RGS payments will be made two month in arrears from the invoiced due date. At June 30th accrued payroll and fees will be ~ \$890,000

Assumes \$1M additional funding is obtained. Capitation is paid at the end of the month - estimated cash outflow for month of start up is ~\$475,000 (excluding vendor payments)

Salaries & Benefits Worksheet

Position	Base Salary	Benefits @34.75%	Total	Monthly Expense	Start Date	Actual/ Assumed	Interim Hourly Rate	Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense		
								Actual Monthly Nov	Actual Monthly Dec	Actual Monthly Jan	Actual Monthly Feb	Estimated Monthly Mar	Estimated Monthly Apr	Estimated Monthly May	Estimated Monthly June		
CEO	200,000	69,500	269,500	22,458	November												
Executive Assistant (Traci)	60,000	20,850	80,850	6,738	November	<i>Actual</i>		22,458	25,155	23,956	22,759	22,759	22,759	22,759	22,759	22,759	1
Aministrative Assistant (Audra)	50,000	17,375	67,375	5,615	February			9,500	9,398	13,145	10,084	6,738	6,738	6,738	6,738	6,738	2
Aministrative Assistant (Lezli)	50,000	17,375	67,375	5,615	February			-	-	5,156	6,696	5,615	5,615	5,615	5,615	5,615	3
CFO	175,000	60,813	235,813	19,651	November	<i>Actual</i>	85	14,960	18,409	17,254	16,392	16,392	16,392	16,392	16,392	16,392	4
Finance Manager (Sonia)	110,000	38,225	148,225	12,352	March			-	-	-	-	6,176	12,352	12,352	12,352	12,352	5
Finance Analyst	65,000	22,588	87,588	7,299	May			-	-	-	-	-	-	-	7,299	7,299	6
Finance Analyst	65,000	22,588	87,588	7,299	TBD			-	-	-	-	-	-	-	-	-	7
Finance Analyst	65,000	22,588	87,588	7,299	TBD			-	-	-	-	-	-	-	-	-	8
Accounting Assistant	45,000	15,638	60,638	5,053	April			-	-	-	-	-	-	5,053	5,053	5,053	9
CIO	120,000	41,700	161,700	13,475	November	<i>Actual</i>	55	4,840	14,835	14,331	13,530	13,530	13,530	13,530	13,530	13,530	10
System Manager (Don Gordon)	124,800	43,368	168,168	14,014	March			-	-	9,644	13,193	14,014	14,014	14,014	14,014	14,014	11
IT Reporting	74,000	25,715	99,715	8,310	July			-	-	-	-	-	-	-	-	-	12
CMO	208,000	72,280	280,280	23,357	November	<i>Actual</i>	100	17,600	22,998	10,995	14,258	23,357	23,357	23,357	23,357	23,357	13
Pharmacy Director	140,000	48,650	188,650	15,721	TBD			-	-	-	-	-	-	-	-	-	14
QI Manager	85,000	29,538	114,538	9,545	May			-	-	-	-	-	-	9,545	9,545	9,545	15
QI Coordinator	85,000	29,538	114,538	9,545	June			-	-	-	-	-	-	-	9,545	9,545	16
Health Services Director	120,000	41,700	161,700	13,475	January	<i>Assumed</i>	60			10,242	10,974	10,974	10,974	10,974	10,974	10,974	17
Team Manager - Care Coordination (Melanie)	95,000	33,013	128,013	10,668	March			-	-	-	-	10,668	10,668	10,668	10,668	10,668	18
Health Educator (Lupe)	70,000	24,325	94,325	7,860	April			-	-	-	-	-	7,860	7,860	7,860	7,860	19
Provider Relations Director	120,000	41,700	161,700	13,475	November	<i>Actual</i>	75	13,200	15,197	14,632	13,900	13,900	13,900	13,900	13,900	13,900	20
Provider Relations Service Rep II (Michelle)	62,000	21,545	83,545	6,962	February			-	-	-	8,650	8,650	6,962	6,962	6,962	6,962	21
Provider Relations Service Rep II (Rebecca)	65,000	22,588	87,588	7,299	February			-	-	-	4,477	7,299	7,299	7,299	7,299	7,299	22
Temp (Suzanne)	65,160	22,643	87,803	7,317	Paid by ACS			-	-	-	-	-	-	-	-	-	23
Member Services Director	120,000	41,700	161,700	13,475	May	<i>Actual</i>	55								13,475	13,475	24
Member Services Manager (Andre)	100,000	34,750	134,750	11,229	December			-	9,863	11,229	11,229	11,229	11,229	11,229	11,229	11,229	25
MS Lead Rep 1-Grievance Coordinator	45,000	15,638	60,638	5,053	May			-	-	-	-	-	-	5,053	5,053	5,053	26
Temp (Sanjay)	40,000	13,900	53,900	4,492	March			-	-	-	-	2,246	4,492	4,492	4,492	4,492	27
Claims Director	120,000	41,700	161,700	13,475	November	<i>Actual</i>	55	9,680	17,632	15,265	14,478	14,478	14,478	14,478	14,478	14,478	28
Claims Auditor	65,000	22,588	87,588	7,299	April			-	-	-	-	-	3,649	7,299	7,299	7,299	29
Claims Auditor	65,000	22,588	87,588	7,299	May			-	-	-	-	-	-	7,299	7,299	7,299	30
Consultant (Mae)	83,200	28,912	112,112	9,343				-	-	-	-	-	-	-	-	-	31
Temp (Lisa)	60,000	20,850	80,850	6,738	March			-	-	-	-	1,684	6,738	6,738	6,738	6,738	32
Government Relations Director	120,000	41,700	161,700	13,475	February			-	-	14,632	13,900	13,900	13,900	13,900	13,900	13,900	
Human Resources Director	120,000	41,700	161,700	13,475	November	<i>Actual</i>	50	8,800	15,135	14,632	11,706	11,706	11,706	11,706	11,706	11,706	
Communications Director	120,000	41,700	161,700	13,475	April			-	-	-	10,974	10,974	13,475	13,475	13,475	13,475	
Total	3,377,160	1,173,563	4,550,723	379,227				101,038	148,622	178,781	205,227	234,315	265,166	311,486	312,925		

889,577

* Assumes a 21 day pay period

** Assumes all interim positions become permanent in February

Salaries & Benefits Worksheet

	Expense	Expense	Expense	Expense	Expense	Expense	Expense	Expense	
Position	Actual Monthly Nov	Actual Monthly Dec	Actual Monthly Jan	Actual Monthly Feb	Estimated Monthly Mar	Estimated Monthly Apr	Estimated Monthly May	Estimated Monthly June	Positions
CEO	1								1
Executive Assistant (Traci)	1								2
Aministrative Assistant (Audra)	-	-	1						3
Aministrative Assistant (Lezli)	-	-	1						4
CFO	1								5
Finance Manager (Sonia)	-	-		-	1				6
Finance Analyst	-	-	-	-	-		1		7
Finance Analyst	-	-	-	-	-	-	-	-	8
Finance Analyst	-	-	-	-	-	-	-	-	9
Accounting Assistant	-	-	-	-	-	1		-	10
CIO	1								11
System Manager (Don Gordon)	-	-	1						12
Web Programer	-	-	-	-					13
CMO	1								14
Pharmacy Director	-	-	-	-	-	-	-	-	15
QI Manager	-	-	-	-	-		1		16
QI Coordinator	-	-	-	-	-	-		1	17
Health Services Director			1						18
Team Manager - Care Coordination (Melanie)	-	-	-	-	1			-	19
Health Educator (Lupe)	-	-	-	-	-	1		-	20
Temp (Pat)				1					21
Provider Relations Director	1								22
Provider Relations Service Rep II (Michelle)	-	-	-	1					23
Provider Relations Service Rep II (Rebecca)	-	-	-	1					24
Temp (Suzanne)					1				25
Member Services Director							1		26
Member Services Manager (Andre)	-	1	-	-	-			-	27
MS Lead Rep 1-Grievance Coordinator	-	-	-	-	-		1		28
Temp					1				29
Claims Director	1								30
Claims Auditor	-	-	-	-	-	1			31
Claims Auditor	-	-	-	-	-	-	1		32
Temp (Mae)				1					33
Temp					1				34
Government Relations Director	-	-	1						35
Human Resources Director	1								36
Communications Director	-	-		1					37
Total	8	1	5	5	5	3	5	1	33

**Gold Coast Health Plan
Projected Income Statement
For the 8 months ending 6/30/2011**

	<u>6 Month Budget*</u>	<u>8 Month Projected</u>	<u>Variance Under/(Over)</u>	<u>8 Month Adjusted**</u>	<u>Variance Under/(Over)</u>
Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <u>General and Administrative Expenses</u>					
Salaries & Benefits	1,542,597	1,879,927	(337,329)	2,056,797	176,870
Other Benefits	18,450	21,070	(2,620)	24,600	3,530
ACS Implementation Costs	-	1,000,000	(1,000,000)	-	(1,000,000)
Consultants & Temp Labor	72,000	66,475	5,525	96,000	29,525
RGS Fees*	104,875	29,136	75,739	139,833	110,697
Occupancy Office Lease	88,057	73,200	14,857	117,410	44,210
Furniture & Equipment	13,800	104,622	(90,822)	18,400	(86,222)
Hardware/Software (Depreciation)	10,825	2,916	7,909	14,433	11,518
Other Depreciation	31,218	-	31,218	41,624	41,624
Computers, Monitors, Printers (Non- Capitalized)	63,326	84,525	(21,199)	84,435	(90)
Telecommunications Equipment	14,766	25,569	(10,803)	19,687	(5,882)
Info Systems - License Fees & Maintenance	11,042	68,486	(57,445)	14,722	(53,764)
Info Systems - Software	-	16,486	(16,486)	-	(16,486)
Travel & Entertainment	3,000	14,760	(11,760)	4,000	(10,760)
Supplies	82,800	53,986	28,814	110,400	56,414
Dues & Publications	-	7,525	(7,525)	-	(7,525)
Phone/Internet	-	1,660	(1,660)	-	(1,660)
Outreach & Education	534,500	715,500	(181,000)	712,667	(2,833)
Insurance	30,033	9,494	20,539	40,044	30,550
Other Professional Services	60,000	198,193	(138,193)	80,000	(118,193)
Other fees	-	25,668	(25,668)	-	(25,668)
Miscellaneous Operating Expenses	30,000	23,058	6,942	40,000	16,942
Total General and Administrative Expense	<u>2,711,289</u>	<u>4,422,256</u>	<u>(1,710,966)</u>	<u>3,615,053</u>	<u>(807,203)</u>
 Net Income (Loss)	 <u>(2,711,289)</u>	 <u>(4,422,256)</u>	 <u></u>	 <u>(3,615,053)</u>	 <u></u>

* Original Pre-op Profit and Loss Statement

** Original Pre-op Profit and Loss pro-rated for 8 months

Gold Coast Health Plan
Projected Balance Sheet
For the period ended 6/30/2011

<u>Assets</u>	<u>Jun-11</u>
Cash	309,531
Prepaid Expense	28,051
Vendor Receivable	19,933
Computers (net)	18,974
Total Assets	376,489

<u>Liabilities</u>	
Salaries Payable	894,577
Accounts Payable	104,168
Vendor Payable	1,000,000
Loan	500,000
Advance	2,300,000
Total Liabilities	4,798,745
Retained Earnings	(4,422,256)
Total Liabilities and RE	376,489

Gold Coast Health Plan Projected
Statement of Retained Earnings For the
period ended 6/30/2011

	<u>Jun-11</u>
Beginning Retained Earnings	-
Add: Net Income (Loss)	(4,422,256)
Ending Retained Earnings	(4,422,256)

Exhibit HH-2-b-1

Ventura County Organized Health System

Pro Forma
Statement of Revenue and Expenses

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Totals</u>
Members	97,382	97,548	97,714	97,880	98,046	98,213	98,380	98,547	98,715	98,883	99,051	99,219	1,179,577
Revenues													
Premium	24,626,034	24,667,898	24,709,834	24,751,840	24,793,919	24,836,068	24,878,290	24,920,583	24,962,948	25,005,385	25,047,894	25,090,475	298,291,167
Investment Income	10,080	27,499	40,373	46,220	49,374	53,489	61,492	62,502	65,250	66,598	66,202	68,057	617,136
Total Revenues	24,636,114	24,695,397	24,750,207	24,798,060	24,843,293	24,889,557	24,939,782	24,983,085	25,028,198	25,071,983	25,114,096	25,158,532	298,908,303
Cost of Health Care													
Claims													
Inpatient	10,163,559	10,180,837	10,198,144	10,215,481	10,232,847	10,250,243	10,267,669	10,285,124	10,302,608	10,320,123	10,337,667	10,355,241	123,109,543
Outpatient	2,516,895	2,521,174	2,525,460	2,529,754	2,534,054	2,538,362	2,542,677	2,547,000	2,551,329	2,555,667	2,560,011	2,564,363	30,486,746
Professional	2,861,993	2,866,858	2,871,732	2,876,614	2,881,505	2,886,404	2,891,311	2,896,226	2,901,149	2,906,081	2,911,021	2,915,970	34,666,864
Pharmacy	3,936,018	3,942,709	3,949,412	3,956,126	3,962,851	3,969,588	3,976,336	3,983,096	3,989,867	3,996,650	4,003,444	4,010,250	47,676,347
Other	1,931,893	1,935,176	1,938,467	1,941,762	1,945,062	1,948,369	1,951,681	1,954,999	1,958,323	1,961,652	1,964,987	1,968,328	23,400,699
Total	21,410,358	21,446,754	21,483,215	21,519,737	21,556,319	21,592,966	21,629,674	21,666,445	21,703,276	21,740,173	21,777,130	21,814,152	259,340,199
Total Cost of Health Care	21,410,358	21,446,754	21,483,215	21,519,737	21,556,319	21,592,966	21,629,674	21,666,445	21,703,276	21,740,173	21,777,130	21,814,152	259,340,199
Administrative Expenses													
General Administration	77,735	77,735	77,735	77,735	77,735	77,735	77,749	76,529	76,567	76,619	290,301	291,498	1,355,673
ACS	868,750	870,041	871,334	872,630	873,928	875,228	876,530	877,835	879,142	880,451	881,762	883,075	10,510,706
Info Systems License Fees & Maintenance	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	108,840
Scriptcare Fees	556,540	557,486	558,434	559,384	560,334	561,287	562,241	563,197	564,154	565,114	566,074	567,037	6,741,282
Salaries and Benefits	308,578	308,578	308,578	308,578	308,578	308,578	309,251	309,251	311,171	313,796	318,446	327,146	3,740,527
Medical Management Fees	106,147	106,327	106,508	106,689	106,870	107,052	107,234	107,416	107,599	107,782	107,965	108,149	1,285,738
Consultants	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Depreciation	316	316	316	316	316	316	316	316	316	316	316	316	3,795
Interest Expense	867	794	722	650	578	506	6,500	6,428	6,356	6,283	6,211	6,139	42,034
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
Administration Total	1,933,002	1,935,347	1,937,697	1,940,052	1,942,409	1,944,771	1,953,892	1,955,042	1,959,375	1,964,431	2,185,145	2,197,431	23,848,595
Premium Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	23,343,360	23,382,101	23,420,912	23,459,789	23,498,728	23,537,737	23,583,566	23,621,487	23,662,651	23,704,604	23,962,275	24,011,583	283,188,794
Income Before Quality Improvement Fee	1,292,754	1,313,296	1,329,295	1,338,272	1,344,565	1,351,820	1,356,216	1,361,597	1,365,546	1,367,378	1,151,821	1,146,950	15,719,509
Quality Improvement Fee Tax	698,843	700,031	701,221	702,413	703,607	704,803	706,001	707,202	708,404	709,608	710,815	712,023	8,464,971
Income After Quality Improvement Fee Tax	593,911	613,265	628,074	635,859	640,958	647,017	650,215	654,395	657,142	657,770	441,006	434,927	7,254,538
Cumulative After Tax Income	593,911	1,207,176	1,835,250	2,471,108	3,112,066	3,759,083	4,409,298	5,063,694	5,720,836	6,378,606	6,819,612	7,254,538	7,254,538

Projections based on preliminary payment rates received from DHCS on 1/14/2011.
 These are not predictions; they are projected results if a specific set of assumptions is realized.
 See attached document for summary of key assumptions.
 Actual results will vary due to a wide variety of random and non-random factors.

Exhibit HH-2-a-1

Ventura County Organized Health System

Pro Forma
Balance Sheet Projections

	Start Up Date												
	1-Jul-11	31-Jul-11	31-Aug-11	30-Sep-11	31-Oct-11	30-Nov-11	31-Dec-11	31-Jan-12	29-Feb-12	31-Mar-12	30-Apr-12	31-May-12	30-Jun-12
Assets													
Premiums Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash and Cash Equivalents	357,515	11,287,486	20,473,386	26,152,748	27,222,769	29,796,249	31,975,096	31,745,969	33,432,023	34,920,654	34,188,833	35,262,208	36,330,722
Restricted Cash	0	0	0	0	0	0	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Net Property & Equipment	18,974	18,658	18,342	18,026	17,709	17,393	17,077	16,761	16,444	16,128	15,812	15,496	15,180
Total Assets	376,489	11,306,145	20,491,728	26,170,773	27,240,478	29,813,642	35,492,173	35,262,730	36,948,467	38,436,782	37,704,645	38,777,704	39,845,901
Liabilities													
Claims Liability - IBNR	0	8,313,735	14,553,359	18,045,461	19,573,410	20,631,131	21,375,438	21,884,598	22,237,018	22,432,426	22,549,366	22,587,699	22,626,098
Claims Liability - Claims Payable	0	2,344,899	4,104,793	5,089,746	5,520,705	5,819,037	6,028,970	6,172,579	6,271,979	6,327,095	6,360,077	6,370,889	6,381,720
ACS Advance	2,300,000	2,256,178	2,212,281	2,168,310	2,124,264	2,080,143	2,035,948	1,991,677	1,947,330	1,902,909	1,858,412	1,813,839	1,769,190
Quality Improvement Fee Tax Liability	0	698,843	1,398,874	2,100,095	702,413	1,406,020	2,110,823	706,001	1,413,203	2,121,607	709,608	1,420,423	2,132,446
Subordinated Loan	0	0	0	0	0	0	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Short Term Loan	500,000	458,333	416,667	375,000	333,333	291,667	250,000	208,333	166,667	125,000	83,333	41,667	0
Accounts Payable	1,998,745	1,062,501	1,020,834	979,167	937,500	895,833	854,166	812,499	770,832	729,165	687,498	645,831	604,164
Accrued Vacation / Sick Time	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	4,798,745	15,134,489	23,706,808	28,757,779	29,191,626	31,123,831	36,155,345	35,275,687	36,307,029	37,138,202	35,748,294	36,380,348	37,013,618
Net Worth													
Paid In Surplus/Common Stock	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)	(4,422,256)
Unassigned Surplus	0	593,911	1,207,176	1,835,250	2,471,108	3,112,066	3,759,083	4,409,298	5,063,694	5,720,836	6,378,606	6,819,612	7,254,538
Total Net Worth	(4,422,256)	(3,828,345)	(3,215,080)	(2,587,006)	(1,951,147)	(1,310,189)	(663,172)	(12,957)	641,438	1,298,580	1,956,351	2,397,356	2,832,283
Total Liabilities & Net Worth													
Total Liabilities & Net Worth	376,489	11,306,145	20,491,728	26,170,773	27,240,478	29,813,642	35,492,173	35,262,730	36,948,467	38,436,782	37,704,645	38,777,704	39,845,901
Statement of Retained Earnings													
Beginning Retained Earnings	(4,422,256)	(4,422,256)	(3,828,345)	(3,215,080)	(2,587,006)	(1,951,147)	(1,310,189)	(663,172)	(12,957)	641,438	1,298,580	1,956,351	2,397,356
Add: Net Income (Loss)	0	593,911	613,265	628,074	635,859	640,958	647,017	650,215	654,395	657,142	657,770	441,006	434,927
Ending Retained Earnings	(4,422,256)	(3,828,345)	(3,215,080)	(2,587,006)	(1,951,147)	(1,310,189)	(663,172)	(12,957)	641,438	1,298,580	1,956,351	2,397,356	2,832,283

Projections based on preliminary payment rates received from DHCS on 1/14/2011.
 These are not predictions; they are projected results if a specific set of assumptions is realized.
 See attached document for summary of key assumptions.
 Actual results will vary due to a wide variety of random and non-random factors.

Exhibit HH-2-c-1

Ventura County Organized Health System

Pro Forma
Monthly Cash Flow Projection

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>
Cash Flow From Operating Activities												
Collected Premium	24,626,034	24,667,898	24,709,834	24,751,840	24,793,919	24,836,068	24,878,290	24,920,583	24,962,948	25,005,385	25,047,894	25,090,475
Interest Received	10,080	27,499	40,373	46,220	49,374	53,489	61,492	62,502	65,250	66,598	66,202	68,057
Paid Claims												
Inpatient	(5,945,630)	(7,331,820)	(8,603,330)	(9,517,275)	(9,749,290)	(9,909,754)	(10,034,519)	(10,123,523)	(10,212,679)	(10,266,013)	(10,319,438)	(10,336,981)
Outpatient	(25,169)	(528,591)	(1,410,402)	(2,042,024)	(2,196,510)	(2,300,920)	(2,380,338)	(2,434,722)	(2,489,200)	(2,518,600)	(2,548,051)	(2,552,382)
Professional	(825,588)	(1,238,386)	(1,960,433)	(2,478,009)	(2,605,641)	(2,692,349)	(2,758,636)	(2,804,465)	(2,850,372)	(2,875,788)	(2,901,246)	(2,906,178)
Pharmacy	(3,936,018)	(3,942,709)	(3,949,412)	(3,956,126)	(3,962,851)	(3,969,588)	(3,976,336)	(3,983,096)	(3,989,867)	(3,996,650)	(4,003,444)	(4,010,250)
Other	(19,319)	(405,730)	(1,082,583)	(1,567,395)	(1,685,974)	(1,766,115)	(1,827,076)	(1,868,819)	(1,910,634)	(1,933,200)	(1,955,806)	(1,959,131)
Paid Administration	(1,932,686)	(1,935,031)	(1,937,381)	(1,939,736)	(1,942,092)	(1,944,455)	(1,953,575)	(1,954,726)	(1,959,059)	(1,964,115)	(2,184,829)	(2,197,114)
Repay Initial Liabilities	(1,021,733)	(127,230)	(127,305)	(127,380)	(127,454)	(127,529)	(127,605)	(127,680)	(127,755)	(127,831)	(127,906)	(127,982)
Quality Improvement Fee Taxes Paid	0	0	0	(2,100,095)	0	0	(2,110,823)	0	0	(2,121,607)	0	0
Net Cash Provided by Operating Activities	10,929,971	9,185,900	5,679,361	1,070,021	2,573,480	2,178,847	(229,126)	1,686,054	1,488,631	(731,821)	1,073,375	1,068,514
Net Cash Flow	10,929,971	9,185,900	5,679,361	1,070,021	2,573,480	2,178,847	(229,126)	1,686,054	1,488,631	(731,821)	1,073,375	1,068,514
Cash and Cash Equivalents (Beg. of Period)	357,515	11,287,486	20,473,386	26,152,748	27,222,769	29,796,249	31,975,096	31,745,969	33,432,023	34,920,654	34,188,833	35,262,208
Cash and Cash Equivalents (End of Period)	11,287,486	20,473,386	26,152,748	27,222,769	29,796,249	31,975,096	31,745,969	33,432,023	34,920,654	34,188,833	35,262,208	36,330,722
Adjustment to Reconcile Net Income to Net Cash Flow												
Net Income	593,911	613,265	628,074	635,859	640,958	647,017	650,215	654,395	657,142	657,770	441,006	434,927
Depreciation	316	316	316	316	316	316	316	316	316	316	316	316
Amortization	0	0	0	0	0	0	0	0	0	0	0	0
Decrease/(Increase) in Receivables/(Payables)	(1,021,733)	(127,230)	(127,305)	(127,380)	(127,454)	(127,529)	(127,605)	(127,680)	(127,755)	(127,831)	(127,906)	(127,982)
Change in Income Tax Liability	698,843	700,031	701,221	(1,397,682)	703,607	704,803	(1,404,822)	707,202	708,404	(1,411,999)	710,815	712,023
Changes in Claims Payable	2,344,899	1,759,894	984,953	430,959	298,332	209,933	143,609	99,400	55,116	32,982	10,812	10,831
Changes in IBNR	8,313,735	6,239,624	3,492,102	1,527,949	1,057,721	744,307	509,160	352,420	195,408	116,940	38,333	38,399
Net Cash Flow from Operating Activities	10,929,971	9,185,900	5,679,361	1,070,021	2,573,480	2,178,847	(229,126)	1,686,054	1,488,631	(731,821)	1,073,375	1,068,514

Exhibit HH-2-d-1

Ventura County Organized Health System

Pro Forma
Minimum Tangible Net Equity

	Start Up Date 1-Jul-11	31-Jul-11	31-Aug-11	30-Sep-11	31-Oct-11	30-Nov-11	31-Dec-11	31-Jan-12	29-Feb-12	31-Mar-12	30-Apr-12	31-May-12	30-Jun-12
Monthly													
Members	0	97,382	97,548	97,714	97,880	98,046	98,213	98,380	98,547	98,715	98,883	99,051	99,219
Premium	0	24,626,034	24,667,898	24,709,834	24,751,840	24,793,919	24,836,068	24,878,290	24,920,583	24,962,948	25,005,385	25,047,894	25,090,475
Annualized													
Members	0	1,168,589	1,170,575	1,172,565	1,174,559	1,176,555	1,178,555	1,180,559	1,182,566	1,184,576	1,186,590	1,188,607	1,190,628
Premium	0	295,512,409	296,014,780	296,518,005	297,022,086	297,527,023	298,032,819	298,539,475	299,046,992	299,555,372	300,064,616	300,574,726	301,085,703
Total Assets	376,489	11,306,145	20,491,728	26,170,773	27,240,478	29,813,642	35,492,173	35,262,730	36,948,467	38,436,782	37,704,645	38,777,704	39,845,901
Liabilities (excl. subordinated loan)	4,798,745	15,134,489	23,706,808	28,757,779	29,191,626	31,123,831	32,655,345	31,775,687	32,807,029	33,638,202	32,248,294	32,880,348	33,513,618
Net Equity	(4,422,256)	(3,828,345)	(3,215,080)	(2,587,006)	(1,951,147)	(1,310,189)	2,836,828	3,487,043	4,141,438	4,798,580	5,456,351	5,897,356	6,332,283
Intangible Assets, Goodwill, and Start Up Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Tangible Net Equity	(4,422,256)	(3,828,345)	(3,215,080)	(2,587,006)	(1,951,147)	(1,310,189)	2,836,828	3,487,043	4,141,438	4,798,580	5,456,351	5,897,356	6,332,283
Required Minimum TNE*													
Required Minimum TNE, not reflecting Phase-In	1,000,000	15,890,563	15,907,376	15,924,219	15,941,091	15,957,990	15,974,919	15,991,877	16,008,862	16,025,877	16,042,921	16,059,995	16,077,096
Required Minimum TNE, reflecting Phase-In	0	0	0	0	0	0	3,194,984	3,198,375	3,201,772	3,205,175	3,208,584	3,211,999	5,787,755
Excess TNE	(4,422,256)	(3,828,345)	(3,215,080)	(2,587,006)	(1,951,147)	(1,310,189)	(358,156)	288,667	939,666	1,593,405	2,247,766	2,685,357	544,528

* Defined in Article 9,
paragraph 1300.76.

Ventura County Organized Health System
 Pro Forma
 Expense Budget

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	Total	%
Expense Budget														
ACS	868,750	870,041	871,334	872,630	873,928	875,228	876,530	877,835	879,142	880,451	881,762	883,075	10,510,706	44.1%
Scriptcare Fees	556,540	557,486	558,434	559,384	560,334	561,287	562,241	563,197	564,154	565,114	566,074	567,037	6,741,282	28.3%
Salaries and Benefits	308,578	308,578	308,578	308,578	308,578	308,578	309,251	309,251	311,171	313,796	318,446	327,146	3,740,527	15.7%
Medical Management Fees	106,147	106,327	106,508	106,689	106,870	107,052	107,234	107,416	107,599	107,782	107,965	108,149	1,285,738	5.4%
General Administration	77,735	77,735	77,735	77,735	77,735	77,735	77,749	76,529	76,567	76,619	290,301	291,498	1,355,673	5.7%
Consultants	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	0.3%
Info Systems License Fees & Maintenance	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	9,070	108,840	0.5%
Depreciation	316	316	316	316	316	316	316	316	316	316	316	316	3,795	0.0%
Interest Expense	867	794	722	650	578	506	6,500	6,428	6,356	6,283	6,211	6,139	42,034	0.2%
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	1,933,002	1,935,347	1,937,697	1,940,052	1,942,409	1,944,771	1,953,892	1,955,042	1,959,375	1,964,431	2,185,145	2,197,431	23,848,595	100.0%
Tax Assumptions														
Income Tax Rate	2.838%	2.838%	2.838%	2.838%	2.838%	2.838%	2.838%	2.838%	2.838%	2.838%	2.838%	2.838%		
Premium Tax Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%		
Premium Excess Tax Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%		

AGENDA ITEM 4A

Gold Coast Health Plan	Policies and Procedures
Title: Marketing Standards for Providers /// REVISED ///	Policy Number: 15.C

Purpose

To establish marketing standards for GCHP's health networks, physicians, and service providers.

Policy

Marketing Activities directed towards GCHP Members by any contracted health network, physician, or Service Provider must adhere to the standards defined in this policy. This policy also defines activities that are exempt from the definition of Marketing Activities and are not subject to prior approval.

If a health network, physician, or service provider engages in marketing activities in violation of this policy, it may be subject to sanctions under the terms of this policy or the Contract with Gold Coast Health Plan.

Nothing in this policy shall affect a Health Network, physician, or service provider's obligation to communicate with GCHP or a Member pursuant to contractual, statutory, regulatory, or GCHP policy requirements.

Definitions

Contract: Any written instrument between GCHP and physicians, hospitals, health maintenance organizations (HMOs), or other entities.

Contracted Membership: For a Health Network, Contracted Membership shall mean the Members enrolled in such Health Network. For a physician or Service Provider, Contracted Membership shall mean the Members who receive Covered Services from such physician or Service Provider.

Covered Services: Those services set forth in Article 4, Chapter 3 (beginning with Section 51301), Subdivision 1, Division 3, Title 22, CCR, which are included as Covered Services under GCHP's contract with the Department of Health Care Services (DHCS) and medically necessary as described in the Contract for Health Care Services.

Health Network: A physician-hospital consortia or health care service plan that contracts with GCHP to arrange for the provision of Covered Services to Members assigned to that Health Network.

Marketing Activities: Any product or activity intended to encourage retention of or an increase in Contracted Membership or any occasion during which Marketing Materials are presented to Members or persons who may become Members through verbal exchanges or the distribution of Marketing Materials. Marketing Activities may include, but are not limited to: health fairs, workshops on health

AGENDA ITEM 4A

Gold Coast Health Plan	Policies and Procedures
Title: Marketing Standards for Providers /// REVISED ///	Policy Number: 15.C

promotion, after school programs, raffles, informational sessions hosted by Service Providers, or community-based social gatherings.

Marketing Materials: Any information or product that is intended for distribution, designed to encourage retention of or an increase in Contracted Membership, and is produced in a variety of print, broadcast, or direct marketing media that include, but are not limited to: radio, television, telephone, internet, billboards, newspapers, flyers, leaflets, informational brochures, videos, advertisements, letters, posters, and items of nominal value.

Member: A Medi-Cal eligible beneficiary enrolled in the GCHP program.

Service Provider: Any person or entity, other than a physician, that provides Covered Services to Members.

Procedure

A. Marketing Standards.

All Marketing Materials and Marketing Activities shall meet the following standards:

1. Materials may not contain false, misleading, or ambiguous information.
2. Materials must address only the benefits, services, and performance of the Health Network, physician, or Service Provider proposing the materials.
3. Materials may not include representations that specifically identify or establish comparison to any competitor of the Health Network, physician, or Service Provider;
4. Materials may not include the GCHP name or logo or make any reference to GCHP unless prior written approval has been granted by GCHP.
5. Materials may not include any statements that discriminate on the basis of race, creed, age, sex, religion, national origin, marital status, sexual orientation, physical or mental handicap, or health status; and
6. Materials should be at a sixth (6th) grade reading level or lower;
7. Materials should use a twelve (12) point type or larger.
8. Written Materials shall be made available in English and Spanish.
9. All Spanish-language marketing materials should be reviewed by a certified translator/interpreter.
10. Materials will identify the month and year on which they were last updated; the source of any representations, endorsements, or awards referred to; and the entity responsible for producing the Marketing Materials.

AGENDA ITEM 4A

Gold Coast Health Plan	Policies and Procedures
Title: Marketing Standards for Providers /// REVISED ///	Policy Number: 15.C

B. Approval of Marketing Activities and Marketing Materials

1. If a Health Network, physician, or Service Provider seeks to use Marketing Materials or engage in Marketing Activities, it shall submit documentation relating to such Marketing Materials and Marketing Activities to GCHP's Provider Relations Department for review and approval no later than ten (10) calendar days prior to the date on which it intends to engage in the Marketing Activities or use the Marketing Materials. A Health Network, physician, or Service Provider shall submit such documentation to the following address:

Gold Coast Health Plan
Suite 200
2220 East Gonzales Road
Oxnard, CA 93036

2. GCHP will review the proposed Marketing Materials or Marketing Activities no later than five (5) working days after receipt.
 - a. If GCHP approves the Marketing Materials or Marketing Activities, it shall send a notice to the Health Network, physician, or Service Provider within five (5) working days.
 - b. If GCHP objects to the proposed Marketing Materials or Marketing Activities, it shall send a notice to the Health Network, physician, or Service Provider that describes its objection in detail within five (5) working days after receipt.
 - 1) The Health Network, physician, or Service Provider may resubmit revisions of the Marketing Materials or Marketing Activities and all applicable translations to GCHP's Public Affairs Department within five (5) working days after receipt of the notice from GCHP.
 - 2) GCHP shall review and respond to the resubmitted materials within five (5) working days after receipt.

AGENDA ITEM 4A

Gold Coast Health Plan	Policies and Procedures
Title: Marketing Standards for Providers /// REVISED ///	Policy Number: 15.C

C. Prohibited Activities.

A Health Network, physician, or Service Provider may not:

1. Offer or suggest the receipt of a financial or other incentive, bonus, or award to a Member for enrolling in a Health Network or receiving Covered Services from a physician or Service Provider;
2. Offer a financial or other incentive, bonus, or award to a Member or any other person for referring or encouraging others to enroll in a Health Network or obtain Covered Services from a physician or Service Provider;
3. Pay an organization, individual, or other entity for the purpose of referring Members for enrollment in a Health Network or referring Member to obtain Covered Services from a physician or Service Provider;
4. Purchase, acquire, or use mailing lists of Members, except a Health Network, physician, or Service Provider use of a list of its Contracted Membership for purposes otherwise allowable under this policy;
5. Use raffle tickets, event attendance logs, or sign-in sheets in order to develop mailing lists
6. Engage in unsolicited telephone contact with a Member for the purpose of increasing Contract Membership;
7. Use logos or other identifying information used by a government or public agency, including GCHP, if such use could imply or cause confusion about a connection, affiliation, or endorsement by the governmental or public agency for the Health Network, physician, or Service Provider;
8. Use the term “free” in reference to Covered Services;
9. Discriminate based upon health status, the need for future health care, or a real or perceived disability; and
10. Engage in any activity that constitutes a violation of applicable state or federal laws governing communications between persons or entities and Members regarding a Member's enrollment in the GCHP program or a Health Network.

E. Failure to Comply

A Health Network, physician, or Service Provider may be subject to sanctions for:

1. Engaging in Marketing Activities or uses Marketing Materials that GCHP's Public Affairs Department has not approved in accordance with Section IV.C of this policy; or
2. Engaging in activities that are prohibited as set forth in Section IV.D of this policy.

AGENDA ITEM 4A

Gold Coast Health Plan	Policies and Procedures
Title: Marketing Standards for Providers /// REVISED ///	Policy Number: 15.C

Sanctions may include financial sanctions, immediate suspension of use of all Marketing Materials for a period not to exceed six (6) months, imposition of an enrollment or membership cap, or Contract termination.

Revision History:

Review Date	Revised Date	Approved By

BYLAWS FOR THE OPERATION OF THE VENTURA COUNTY ORGANIZED HEALTH SYSTEM

ARTICLE I

Name and Mission

The name of this Commission shall be the Ventura County Medi-Cal Managed Care Commission, hereafter referred to in these Bylaws as the VCMMCC.

The VCMMCC shall design and operate a program or programs, whose mission is to improve the health of its members through the provision of the best possible quality care and services. This will be accomplished by:

- (a) Delivering medical care via a contracted provider network that will improve access to primary, specialty and ancillary services;
- (b) Establishment of mechanisms to assure that medical care services meet appropriate quality of care standards;
- (c) Incorporating a plan of service delivery and implementing reimbursement mechanisms which promote the long-term viability of a locally operated Medi-Cal managed care system and the existing participating provider networks inclusive of "Safety Net" providers herein defined as Medi-Cal disproportionate share hospitals, county clinics, federally qualified health centers, and licensed rural health clinics;
- (d) Implementing a financial plan which includes the creation of a prudent reserve and which provides that if additional surplus funds accrue, they shall be used to expand access, improve benefits and augment provider reimbursement in Ventura County;
- (e) Placing a high priority on prevention, education, early intervention services and case management for enrolled recipients;
- (f) Ensuring that all obligations, statutory, contractual or otherwise, shall be the obligations of the VCMMCC and shall not be the obligations of the County of Ventura or the State of California; and
- (g) Implementing programs and procedures to ensure a high level of member satisfaction.

ARTICLE II

Membership

The governing board of the VCMMCC shall consist of eleven (11) voting members who shall be legal residents of Ventura County. Members shall possess the requisite skills and knowledge necessary to design and operate a publicly managed health care delivery system.

Members of the VCMMCC shall be appointed by a majority vote of the Board of Supervisors and shall consist of the following:

(a) Three members shall be practicing physicians who serve a significant number of Medi-Cal beneficiaries in Ventura County. One shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Association, one shall be selected from a list with a minimum of three (3) nominees submitted by Clinicas Del Camino Real and one shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Center Executive Committee; (Physician Representatives)

(b) Two members shall be representatives of private hospitals and healthcare systems operating within Ventura County and shall be selected from a list with a minimum of three (3) nominees submitted by the Hospital Association of Southern California. Nominees shall be from different hospitals and healthcare systems. The two appointed members shall not be affiliated with the same hospital or healthcare system; (Private Hospital/Healthcare System Representatives)

(c) One member shall be a representative of the Ventura County Medical Center Health System and shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Center administration; (Ventura County Medical Center Health System Representative)

(d) One member shall be a member of the Board of Supervisors, nominated and selected by the Board; (Public Representative)

(e) One member shall be the chief executive officer of Clinicas del Camino Real or designee nominated by the Clinicas del Camino Real chief executive officer and approved by the Ventura County Board of Supervisors; (Clinicas Del Camino Real Representative)

(f) One member shall be the Ventura County Health Care Agency Director or designee nominated by the Health Care Agency Director and approved by the Board of Supervisors; (County Official)

(g) One member shall be a Medi-Cal beneficiary and/or a representative of an advocacy organization that serves the Medi-Cal population and is not otherwise

represented on the Ventura County Medi-Cal Managed Care Commission. This member shall be appointed from applications submitted to the Ventura County Executive Office after a posting of public notice for the open position; (Consumer Representative)

(h) One member shall be the Ventura County Medical Center Family Medicine Residency Program Director or Faculty Designee and approved by the Board of Supervisors. (Ventura County Medical Center Health System Representative)

Selection and Terms of Members

In order to stagger terms with the intent of maintaining experienced members, in the initial cycle of appointments, the following appointees shall serve two-year terms: one of the Ventura County Medical Center Health System Representatives, the Physician Representative nominated by the Ventura County Medical Association, the Public Representative, and one Private Hospital/Healthcare System Representative. All other initial appointments and all subsequent appointments to the VCMMCC shall be for four-year terms. No member may serve more than two consecutive four-year terms. Any vacancy will be filled by the Board of Supervisors for the remainder of the unexpired term and shall maintain the balance of representation on the VCMMCC.

A member may be removed from the VCMMCC by a 4/5 vote of the Board of Supervisors.

Nominations to the VCMMCC shall be submitted to the Ventura County Executive Office, which shall be responsible for screening nominees and presenting candidates to the Board of Supervisors.

ARTICLE III

Officers

(a) Officers of the VCMMCC shall be a Chairperson and Vice-Chairperson.

(b) The Chairperson and the Vice-Chairperson shall be elected by majority vote of the members in attendance at the first meeting of the VCMMCC to serve for the remainder of the calendar year in which the first meeting occurs. Officers subsequently elected to these offices, pursuant to the procedures outlined under "Election" below, shall serve a term of two years or until their successor(s) has/have been duly elected.

(c) No individual shall serve more than two consecutive terms in any of the elected officer positions.

Election

- (a) During the June meeting, the Chairperson shall appoint and the VCMMCC shall confirm a Nominating Committee of not less than three (3) members.
- (b) The Nominating Committee shall place in nomination the candidates selected and accept further nominations from the floor during the meeting.
- (c) During the December meeting, the VCMMCC shall elect officers by majority vote of the members present.
- (d) The officers elected at the December meeting will take their respective offices on January 1st of the following year.
- (e) Notwithstanding the normal election process detailed in paragraphs a-d above, when circumstances warrant it, an election may be held at any time during the year. Circumstances that would warrant a special election include: one or more of the officers wishes to resign as an officer, or one or more of the officers is terminated.

Duties

- (a) The Chairperson shall:
 - 1. Preside at all meetings;
 - 2. Execute all documents approved by the VCMMCC;
 - 3. Be responsible to see that all actions of the VCMMCC are implemented; and
 - 4. Maintain consultation with the Chief Executive Officer (CEO).
- (b) The Vice-Chairperson shall:
 - 1. Exercise all the responsibilities of the Chairperson in the absence of the Chairperson; and
 - 2. In agreement with the Chairperson, perform all responsibilities mutually agreed upon.

ARTICLE IV

Standing Committees

At a minimum, the VCMMCC shall establish two (2) committees/advisory boards, one member/consumer based and one provider based. COHS staff will be responsible to gather a list of potential appointments and make recommendations to the VCMMCC for membership on these boards. Each of the boards shall submit a charter to the VCMMCC for approval.

ARTICLE V

Special Committees

Members may be asked to participate on a subcommittee, task force or special project as part of their responsibilities. The VCMMCC may establish a committee(s) or advisory board(s) for any purpose that will be beneficial in accomplishing the work of the VCMMCC.

ARTICLE VI

Meetings

(a) All meetings shall be subject to the provisions of Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code relating to meetings of local agencies ("Brown Act").

(b) A regular meeting shall be held monthly. The VCMMCC shall by resolution establish the date, time and location for the monthly meeting. A regular meeting may, for cause, be rescheduled by the Chairperson with 72 hour advance notice.

(c) Closed session items shall be noticed in compliance with Government Code section 54954.5.

(d) Special meetings may be called, consistent with the Brown Act, by the Chairperson or by a quorum of the VCMMCC. Notice of such special meeting shall conform to the Brown Act.

(e) Any meeting at which at least a quorum cannot attend, or for which there is no agenda item requiring action may be cancelled by the Chairperson with 72 hour advance notice.

(f) A quorum shall be defined as one person more than half of the appointed members of the VCMMCC. For these purposes, "appointed members" excludes

unfilled positions and those vacated by resignation or removal. A majority vote of members constituting a quorum shall be required for any VCMCC action.

(g) After three (3) absences of any member during a fiscal year, the reasons for the absences will be reviewed by the VCMCC and it may notify the Board of Supervisors of the absences, if it deems this action appropriate. Three or more absences from regular meetings may be cause for the VCMCC to recommend dismissal of that member to the Board of Supervisors.

ARTICLE VII

Powers and Duties

The VCMCC is responsible for all of the activities described in Article I of these Bylaws. In furtherance of such responsibility, the VCMCC shall have the following powers and duties and shall:

- (a) Advise the Chief Executive Officer (CEO) and request from the CEO information it deems necessary;
- (b) Conduct meetings and keep the minutes of the VCMCC;
- (c) Provide for financial oversight through various actions and methodologies such as the preparation and submission of an annual statement of financial affairs and an estimate of the amount of funding required for expenditures, approval of an annual budget, receipt of monthly financial briefings and other appropriate action in support of its financial oversight role;
- (d) Evaluate business performance and opportunity, and review and recommend strategic plans and business strategies;
- (e) Establish, support and oversee the quality, service utilization, risk management and fraud and abuse programs;
- (f) Encourage VCMCC members to actively participate in VCMCC committees as well as subcommittees;
- (g) Comply with and implement all applicable federal, state and local laws, rules and regulations as they become effective;
- (h) Provide for the resolution of or resolve conflict among its leaders and those under its leadership;
- (i) Respect confidentiality, privacy and avoid any real or potential conflict of interest; and

(j) Receive and take appropriate action, if warranted, based upon confidential reports presented by the CEO (or designated individual). Such reports shall be prepared and submitted to the VCMMCC at least annually.

ARTICLE VIII

STAFF

The VCMMCC shall employ personnel and contract for services as necessary to perform its functions. The permanent staff employed by the VCMMCC shall include, but not be limited to, a Chief Executive Officer (CEO), Clerk and Assistant Clerk.

Chief Executive Officer

The CEO shall have the responsibility for day to day operations, consistent with the authority conferred by the VCMMCC. The CEO is responsible for coordinating all activities of the County Organized Health System.

The CEO shall:

- (a) Direct the planning, organization, and operation of all services and facilities;
- (b) Direct studies of organizations, operations, functions and activities relating to economy, efficiency and improvement of services;
- (d) Direct activities which fulfill all duties mandated by federal or state law, regulatory or accreditation authority, or VCMMCC board resolution, and shall bring any conflict between these laws, regulations, resolutions or policy to the attention of the VCMMCC;
- (e) Appoint and supervise an executive management staff, and such other individuals as are necessary for operations. The CEO may delegate certain duties and responsibilities to these and other individuals where such delegated duties are in furtherance of the goals and objectives of the VCMMCC;
- (f) Retain and appoint necessary personnel, consistent with all policies and procedures, in furtherance of the VCMMCC's powers and duties; and
- (g) Implement and enforce all policies and procedures, and assure compliance with all applicable federal and state laws, rules and regulations.

Clerk

The Clerk shall:

- (a) Perform the usual duties pertaining to secretaries;
- (b) Cause to be kept, a full and true record of all VCMMCC meetings and of such special meetings as may be scheduled;
- (c) Cause to be issued notices of regular and special meetings;
- (d) Maintain a record of attendance of members and promptly report to the VCMMCC any member whose position has been vacated; and
- (e) Attest to the Chair or Vice-Chair's signature on documents approved by the VCMMCC.

Assistant Clerk

The Assistant Clerk shall perform the duties of the Clerk in the Clerk's absence.

ARTICLE IX

Rules of Order

The Chairperson shall be responsible for maintaining decorum during VCMMCC meetings. All motions, comments, and questions shall be made through the Chairperson. Any decision by the Chairperson shall be considered final unless an appeal of the decision is requested and passed by a majority of the VCMMCC members present.

ARTICLE X

Amendments

- (a) These Bylaws may be amended by an affirmative vote of a majority of the voting members of the VCMMCC. A full statement of a proposed amendment shall be submitted to the VCMMCC at least two weeks prior to the meeting at which the proposed amendment is scheduled to be voted upon.
- (b) The Bylaws shall be reviewed annually and amendments to the Bylaws may be proposed by any VCMMCC member.

(c) Bylaws may be suspended on an ad hoc basis upon the affirmative vote of a majority of the VCMMCC members present.

(d) The Chairperson shall adhere to the order of items as posted on the agenda. Modifications to the order of the agenda may be made to the extent that (on the advice of counsel) the rearrangement of the agenda items does not violate the spirit or intent of the Brown Act.

(e) All motions or amendments to motions require a second in order to be considered for action. Upon a motion and a second the item shall be open for discussion before the call for the vote.

(f) Voice votes will be made on all items as read. An abstention will not be recognized except for a legal conflict of interest. A roll call vote shall be taken on items requiring unanimous vote.

(g) A call for a point of order shall have precedence over all other motions on the floor.

(h) Without objection, the Chairperson may continue or withdraw any item. In the event of an objection, a motion to continue or reset an item must be passed by a majority of the members present. A motion to continue or reset an item shall take precedence over all other motions except for a point of order.

(i) An amendment to a motion must be germane to the subject of the motion, but it may not intend an action contrary to the motion. There may be an amendment to the motion and an amendment to an amendment, but no further amendments. In the event the maker of the original motion accepts the amendment(s), the original motion shall be deemed modified. In the event the maker of the original motion does not accept the amendment(s), the amendment(s) shall be voted separately and in reverse order of proposal.

(j) Where these Bylaws do not afford an adequate procedure in the conduct of a meeting, the Chairperson may defer to the most current edition of Robert's Rules of Order, to resolve parliamentary questions.

ARTICLE XI

Nondiscrimination Clause

The VCMMCC or any person subject to its authority shall not discriminate against or in favor of any person because of race, gender, religion, color, national origin, age, sexual orientation or disability with regard to job application procedures, hiring, advancement, discharge, compensation, training or other terms or condition of

employment of any person employed by or doing business with the VCMMCC or any person subject to its direction pursuant to federal, state or local law.

ARTICLE XII

Conflict of Interest and Ethics

VCMMCC members are subject to conflict of interest laws, including Government Code section 1090 and the 1974 Political Reform Act (Government Code section 8100 et seq.), as modified by Welfare and Institutions Code section 14087.57, and must identify and disclose any conflicts and refrain from participating in any manner in such matters in accordance with the applicable statutes. Members of the VCMMCC agree to adhere to all relevant standards established by state or federal law regarding ethical behavior.