

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

2240 E. Gonzales, Suite 200, Oxnard, CA 93036

Monday, July 23, 2012

3:00 p.m.

AMENDED AGENDA

GOLD COAST HEALTH PLAN'S ONE YEAR ANNIVERSARY RECOGNITION

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT / CORRESPONDENCE

1. APPROVE MINUTES

- a. Regular Meeting of April 23, 2012
- a. Regular Meeting of May 21, 2012
- b. Regular Meeting of June 25, 2012
- c. Special Meeting of June 29, 2012

2. CEO MONTHLY REPORT

3. ACCEPT AND FILE FINANCIAL REPORT

- a. June Unaudited Financials
- b. Budget

4. CONSIDERATION AND APPROVAL OF EXTENSION OF TATUM CONTRACT

**5. CONSIDERATION AND APPROVAL OF COST OF IMPLEMENTATION OF
SPECIALTY CONTRACT**

6. CONSIDERATION AND APPOINTMENT OF AUDIT COMMITTEE

7. EXECUTIVE / FINANCE MEETING SCHEDULE

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

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

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

CLOSED SESSION

A. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8

Agency designated representatives: Nancy Kierstyn Schreiner, legal counsel, Cassie Undlin Interim CEO, Sonia DeMarta, Interim CFO, CBRE, Michael Slater and Richard Bright, real estate agents

Property Owners and Subject Real Property: State Compensation Insurance Fund-2901 N. Ventura Road, Oxnard, CA and Draine Family Ltd Partnership-3760 Calle Tecate, Camarillo, CA

Under Negotiation Price and Term of Payment.

B. Conference with Labor Negotiators pursuant to Government Code Section 54957.6

Agency designated representative: Nancy Kierstyn Schreiner, Legal Counsel Unrepresented-Permanent Chief Executive Officer

RETURN TO OPEN MEETING

Announcements from Closed Session, if any.

- 8. CONSIDERATION OF REVISED SALARY SCHEDULE FOR CHIEF EXECUTIVE OFFICER POSITION AND APPROVAL OF NEW SALARY SCHEDULE FOR CHIEF EXECUTIVE OFFICER POSITION**
- 9. CONSIDERATION AND APPROVAL OF CHIEF EXECUTIVE OFFICER EMPLOYMENT AGREEMENT**

COMMENTS FROM COMMISSIONERS

ADJOURNMENT

Unless otherwise determined by the Commission, the next regular meeting of the Commission will be held on August 27, 2012 at 3:00 p.m. at 2240 E. Gonzales Road, Suite 200, Oxnard CA 93036

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

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DRAFT

Chief Executive's Monthly Report to Commission

July 23, 2012

Accomplishments

- Conversion from state FAME file to 834 eligibility format
- Correction of claim lag report to include refunds/adjustments
- Follow up on refund request letters
- Completion of set-up documents for iCES (billing/claim edit software)
- Reporting: Database validation, Milliman reporting database completion; creation of Report /query request procedures; ability to run in-house reports & queries
- Established call monitoring for GCHP Vendor Operations Manager
- Solicitation and evaluation of Recovery services (in process)
- Solicitation and evaluation of HR services (replaces RGS)
- Budget development
- Compliance Committee

California Department of Health Care Services (DHCS)

- GCHP continues under a required monitoring status with the State. While the requirements are significantly reduced from the former status, the issue of claims payment has not been resolved to their satisfaction. We concur that due to the startup status of the plan it is difficult to estimate our claims liability.
- Retro enrollment change beginning July 1, 2012. Members will no longer be assigned retroactively to a plan. Providers will need to be submitting their bills for services rendered directly to the State until plan eligibility is effective.

Personnel

New Hires:

- Vendor Operations Manager
- Claims Recovery Specialist
- Delegated Oversight Analyst
- HEDIS Specialist
- State Contract Quality Reporting Specialist
- 2 RN's , ACS hire
- 3 Clinical Operations Assistants

Departures:

- 2 RN Medical Management, ACS

Recruitments:

- COO/Director of Operations
- Director of Health Services
- 2 Nurses – Health Services Manager
- Provider Contracting Manager
- Senior Staff Accountant
- Provider Relations Representative

Staff Training:

- July 16, How to Access an Interpreter, Pacific Interpreter Inc.
- July 26, Cultural Diversity and Sensitive Training, Margaret Sawyer and Norma Gomez, MICOP
- August 6, Cultural Diversity and Sensitive Training, Tri-County GLAD to speak about resources and services for the deaf and hard of hearing community. In development: training program focusing on cultural and linguistic services to new employees, contracted employees, vendors, and temporary employees

Office Space

As reported previously, we are in the process of finalizing our search for 22,000 sq ft of office space. Working with Commissioner Glycer and Commissioner Berry, we have narrowed our search to two facilities, one in Camarillo and one in Oxnard.

Community Outreach & Education

GCHP established a ten-member Community Outreach Campaign Committee to solicit input on GCHP outreach activities. The Committee members include four representatives from the major provider organizations which serve our membership which are: Clinicas Del Camino Real, Community Memorial Hospital, Ventura County Medical Center, and Saint John's Medical Center. The fifth member of the Committee is, Maylee Berry, who serves as the community representative on GCHP's Governing Commission. Additionally, two members of the Committee will be Medi-Cal beneficiaries. Three members of the Committee will be GCHP staff, two from GCHP's Government Relations and Communications Department and our Health Educator.

The goals and objectives of the Community Outreach Campaign Committee are three-fold:

- 1) Identify and establish strong working relationships with key stakeholder groups and individuals within the provider and consumer communities served by GCHP in Ventura County.
- 2) Increase GCHP member and public awareness of the Medi-Cal managed care system and process.
- 3) Focus on wellness, prevention, and early intervention through health education.

GCHP staff drafted a bilingual communication and outreach work plan for meeting Gold Coast Health Plan's (GCHP) short and long term community outreach goals. Goals and objectives of this strategy include:

- Identifying and engaging key stakeholder groups and individuals within the provider and consumer communities served by GCHP in Ventura County

- Promote comprehensive health coverage and expand the enrollment of eligible individuals
- Focus on Increasing awareness, goodwill between GCHP and communities served, and the Medi-Cal managed care system and process
- Focus on providing high quality, accessible and cost effective healthcare while promoting wellness, prevention, and early intervention through health education.
- Identify specific populations to implement targeted outreach.
- Ensure the effective use of existing resources and community groups to better serve those with the greatest health care needs.

Other critical outreach plan elements include:

- Community events –attend community public meetings, forums, workshops, and events to disseminate information in English and Spanish on GCHP, Medi-Cal Managed Care processes and procedures. Subjects covered will include: how to apply for Medi-Cal, how to file an appeal, what is share of cost, selecting a Primary Care Provider (PCP), how to change your PCP..
- Media -Develop web and mobile application technology, radio, advertising, social media outlets e.g. Facebook, Twitter, LinkedIn, You Tube, etc.
- Health Education - Develop workshops, classes, and presentations based on health needs assessments of the GCHP membership that is focused on prevention, early intervention and wellness.

Communications

- CMO Pharmacy services newsletter
- Member newsletter scheduled for August
- Provider Operations bulletin
- Website activity:
2,882 Unique Visitors
785 Unique Visitors English
81 Unique Visitors Spanish
Provider Directory most used page

Government Relations

Healthy Families Program (HFP) Transition

The Department of Health Care Services (DHCS) proposed a tentative agreement with Kaiser Permanente Health System to sub-contract with Medi-Cal managed care plans for the existing HFP lives already enrolled in the Kaiser Health System. GCHP's Director of Government Relations reached out to officials at the Kaiser Health System to arrange discussion of a sub-contracting relationship with GCHP. DHCS has indicated that if Medi-Cal managed care plans cannot reach an agreement with Kaiser, then Kaiser may contract directly with DHCS. Countywide, there are approximately 20,000 children enrolled in the HFP Program. Of those, 3,600 are enrolled in the Kaiser Health System.

DHCS is conducting weekly telephone conference calls with Medi-Cal managed care plans to discuss the transition of the Healthy Families Program to Medi-Cal managed care. The conference calls will occur weekly, or as necessary, through the planning and implementation of this transition which is scheduled to take place over a four-phase period beginning in January 2013 as follows:

- 10/1/12 - Enrollment for HFP with direct plan relationship
- **4/1/13** - Enrollment for HFP children with indirect contracted plans (i.e. subcontractors to Primary Medi-Cal plans). **This phase applies to GCHP.**
- 6/1/13 - Remaining members phased into Medi-Cal based on a yet to be determined algorithm.

HFP Rates and Benefits

- Rates for the HFP lives will be based on Medi-Cal data, not HFP rate.
- The benefit package will be the same for HFP transition members as current Medi-Cal beneficiaries.
- Rates will be plan specific with some consideration for county averages although DHCS is still in the early stage of determining how this will work.
- This rate setting process is for HFP transitioning members only.
- Preliminary rates for October (direct contractor) transition will be to CMS by August 1st. Final rates for the HFP kids will be reflective of the full under 133% HFP population and ready for March 2013.
- HFP will be a separate aid category and not a part of the family rate.
- DHCS is still working through separating out the family rate into adult and child only rates in advance of the 2014 Medicaid expansion to childless adults.
- HFP children's dental benefit will shift to Denti-Cal.
- The rates will likely change again due to the federal Affordable Care Act Medicaid PCP increase.

Community Based Adult Services Program (CBAS) implementation in Medi-Cal Managed Care

Community Based Adult Service Program Implementation (CBAS)

On October 1, 2012, Gold Coast Health Plan (GCHP) will transition approximately 1,000 GCHP members from the former Adult Day Health Care Program to the Community Based Adult Services Program (CBAS). GCHP will be responsible for providing enhanced case management services for 58 GCHP members who were deemed ineligible for the CBAS Program.

There are a total of five CBAS Centers that have been approved and certified by the State of California Department of Health Care Services to contract with GCHP. GCHP staff have reached out to the five-major CBAS Centers of Ventura County to schedule discussions related to a sub-contracting relationship with GCHP. The State has not provided any of the Plans a CBAS rate. The Department of Health Care Services (DHCS) is developing a rate based on an average facility utilization cost per CBAS member. CMS approval of CBAS rates is not expected until September 2012.

Plans will be required to submit a roster of members utilizing CBAS services on a monthly basis, with payment based on a prospective system and not based on actuarial historical utilization.

Chief Medical Officer

P & T Committee met on 6/28/12. The quarterly pharmacy data was presented showing a continued, favorable experience in PM/PM costs and a respectful 84% generic drug usage. Since it was time for the annual update on the formulary, many changes were presented by the ScriptCare staff to include new drugs, delete some duplicate, costly drugs, changing the status of some drugs into step therapy and prior authorization. In an effort to be more cost effective but without sacrificing quality. In order to present these changes prior to the meeting the clinical pharmacy staff consulted with all the specialists in the respective therapeutic categories to minimize any controversies for the changes. For that reason, requested modifications from the committee members were few, and with those modifications the entire proposed changes were adopted by the committee. This updated formulary will be submitted to the state for approval.

The second quarterly Pharmacy Letter was sent out this week. The letter is attached for the Commission's reference. It was designed to educate doctors on the proper use of certain popular and expensive drugs as well as to provide clinical guidelines for drug use in ADHD (Attention Deficit Hyperactive Disorder).

The Medical Advisory Committee met on 7/12/12. The meeting focused on upcoming tasks associated with HEDIS measures for the plan. They were informed about current practices relative to bariatric surgery and transplant management. An R.N. has been assigned to specifically manage all cases in the expensive transplantation area. GCHP seems to have an unusually large number of patients on the waiting list. This was true even when we went live on 7/1/11. Also, it was reported to the committee that at long last the ICMS-IKA integration is complete, and with that our data warehouse is expected to be more robust. At the same time, the Milliman /Med-Insight vendor has completed the mapping of our data, enabling GCHP staff to produce reports. Since the medical utilization reports are absolutely essential for cost effective and quality management this is a new milestone for us.

Health Services

The integration of ICMS (Medical Management System) and iKA (Claims system) has been implemented. Issues not critical to the go live, are now in process of completion. This integration has greatly increased the efficiency of the nursing staff.

Health Services has been implementing an increased focus in the areas of:

- Medically necessary DME services.
- Transportation
- Skilled Nursing services
- Transplant management
- Long Term Care (qualification requirements)

Provider Services

- Cultural and Linguistic In-Service Training – Provider Training. Provider Relations staff met with 31 provider representatives on the following C & L topic: How to access an Interpreter.

ACS Vendor Mangement

- A site visit (delegation oversight) of the Lexington, KY claims/operations center is scheduled for July 25th & 26th.
- Key claim issues (e.g. COB, Pricing) are being tracked and worked to resolve
- Customer Service call monitoring has been established for the Vendor Operations Manager (will be able to review stored, recorded calls)

Claims

In an effort to clean up the refunds/adjustments prior to the close of the fiscal year (6/30), ACS added staff, worked OT, and utilized regular claim processors to process over \$1.6 million (2903 checks) in refunds and requested another \$545,989 in refunds in the month of June. The requested refunds will be booked as an accounts receivable for our year-end financials.

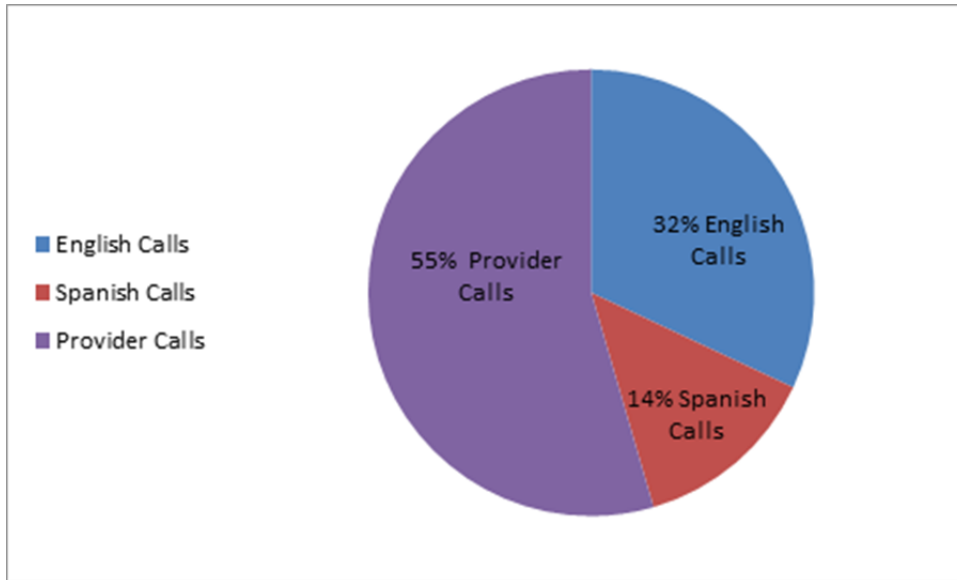
This effort did have some impact on the claim inventory as noted below:

Average claim receipts	23688
Average weekly production	17682
Current Inventory as of July 18th (includes 970 processed claims that will be "paid" Tuesday)	58084
Days inventory on hand	16
Auto adjudication rate	27.35%

Member Services

Gold Coast Health Plan Call Center June Metrics

June Call Center Stats	Calls Offered	Calls Handled	Calls Abandoned	Abandoned Percent	Avg Speed Answer (in min)	Average Talk Time (in min)	Average Hold Time (in min)
English Calls	2406	2310	95	3.95%	0.89	5.26	0.77
Spanish Calls	1017	954	63	6.19%	1.45	7.06	0.79
Provider Calls	4102	3950	152	3.71%	1.12	5.40	0.69
Month Totals/Average	7525	7214	310	4.12%	1.09	5.57	0.73



Consumer Advisory Council

No meeting this month. Next meeting scheduled for September 5, 2012.

Provider Advisory Council

Next meeting has been scheduled for August 22, 2012.

Compliance Committee

Committee met June 27. GCHP code of conduct was reviewed and changes proposed. Committee also reviewed the DHCS Member Rights Review, and a plan will be submitted by staff to the Committee to correct all findings. Committee also reviewed the Fraud and Abuse Policy submitted to DHCS. You will find materials at the Commission meeting.

Human Resources / Compensation Committee

This committee will be working with staff on the transition of the human resources function from RGS to GCHP. We have contracted with a firm that has experience in Health Care and Government to work with us during the implementation and hiring of a GCHP Human Resources staff.

Respectfully submitted,

Cassie Undlin
Interim Chief Executive Officer

GOLD COAST HEALTH PLAN
Executive Summary
June 2012 Financials

Membership

June membership of 101,207 increased by 166 from 101,041 in May. There was no single aid category with a disproportionate share of the gains, and only one category contributed a negligible loss. Total membership was below budget by 615. Positive retro-activity for June amounted to 4,668.

Revenue

Revenue for June easily surpassed budget for the month and year-to-date:

- June Gross Premium Revenue was \$1.8M above budget, and exceeded the year-to-date budget by \$15.6M. Budgeted rates reflected the AB 97 adjustments and actual rates did not. On a net basis (deducting the calculated reserve for the rate reduction), June premium was still \$1.2M favorable and \$10.6M favorable year-to-date. The positive variance is mainly due to premium earned for retro-membership.
- Revenue in June was also impacted by changes in the Plan's member mix. As compared to budget, the variances contributed a favorable net effect of \$2.34 pmpm and \$0.96 pmpm year-to-date. Negative changes in membership mix were experienced in the Adult/Family and Aged categories, but gains in other categories helped to offset these differences and contributed to the overall favorable variance.
- In October 2011, California Department of Health Care Services announced that the premium would be reduced retro-actively to July 1, 2011 as a result of the 10% provider rate reductions (AB 97) approved by CMS. The reduction to Plan Premium was approximately 2.2% or \$560,000 per month. Year-to-date, \$6.7 million had been reserved for future offsets. Payments have continued to arrive using original rates.

Health Care Costs

June Health Care Costs totaled \$21.2 million and \$269.8 million year-to-date, while the forecast called for \$22.3 million and \$263.7 million, respectively. Overall health care costs were lower than budget due to the recognition of \$1.8 million in expected claims recoveries. Without the recoveries, June Health Care Costs would be 23.1 million. This is more than the budget due to the Plan's continued use of a revised IBNR methodology adopted in February.

- **Claims:** June claims (ex-pharmacy) were \$20.6M, compared with \$21.6M per budget. Year-to-date, claims were \$262.3M, compared with \$255.3M per budget. During June, the Plan recognized reinsurance recoveries of \$1.3M plus \$500K in additional refunds due. Without recoveries, claims would have been \$22.4M.

- **Capitation:** Capitation for June again compared favorably to budget. Capitation was originally budgeted based on total membership for the three aid categories (Adult/Family, Aged & Disabled). However, not all members in these categories are required to select a capitated PCP. June capitation was \$633.3K, or \$103K less than a budgeted \$736.3K. Year-to-date, capitation was \$7.5M compared to a forecasted \$8.5M.
- **Pharmacy:** Pharmacy continued its trend of coming in below budget in June. The Plan's expense of \$3.3M compared favorably to a budgeted \$3.6M. Year-to-date Pharmacy expense of \$36.0M, as compared to a budgeted \$39.8M, resulted in a positive variance of \$3.8M. The cost per encounter in June rose to \$47.57 compared with \$45.67 in May, as June pharmacy encounters decreased by about 2,500. Generics accounted for 84.2% of June's Pharmacy orders, up slightly from 84.0% in May.

General & Administrative Expenses

General and administrative expenses in June exceeded budget by \$59K for the month, and came in over budget by \$2.1M year-to-date. Vendor costs represented 79% of total general and administrative expenses, while payroll costs represented 21%.

- ACS fees are based on a per-member per-month fee schedule. Year-to-date costs exceeded budget by \$231.8K due to the increased membership. The Plan also accrued an additional \$55K in April for estimated future billings (pursuant to a contract amendment) for increased activity related to retro-adds.
- April Salaries and Benefits are favorable to budget for the month and year-to-date by \$113K and \$462K, respectively. Current payroll expenses appear to have increased as compared to the prior month, but March payroll had been artificially low due to the departure of certain personnel.
- Outside Services in April exceeded budget due to continued billings of \$256K by BRG for the ongoing state monitoring/advisory project.
- Accounting and Actuarial Services included a billing from the audit firm which had been budgeted to occur in a prior month. Year to date, the Plan is below budget by \$46K.
- Legal Expense included \$30K in unbudgeted costs related to personnel issues that were passed through to the Plan from Regional Government Services.
- April Consulting Services included an unbudgeted \$44K expense for human resources services provided by Regional Government Services. RGS staff continued to provide full-time, on-site consulting for H/R management.
- Office Lease expense for April was below budget by \$16K. The original budget anticipated a move to a larger facility in January to accommodate a full staff.
- April interest expense continued to decline as a result of fewer delayed claims.

Balance Sheet

- Cash and cash equivalents at the end of June totaled \$23.7 million. June Premium of \$26.6M was not received until July. Total health care costs paid amounted to \$23.9M.
- The June Medi-Cal Receivable balance represented June Premium of \$26.6M plus accrued retroactive member increases of about \$1.9M, since the current month's premium had been received prior to month's end.
- In prior months, GCHP had advanced interim payments to some providers in order to mitigate issues related to delays in claims processing. These advances continued to be applied in the course of administering claims payments. The activity in April resulted in a further reduction, bringing the balance down to \$363K.
- Incurred But Not Reported (IBNR)/Claims Payable at the end of April was estimated at \$35.6 million (excluding \$1.8M in accrued pharmacy costs). Claims liability was estimated using budgeted per member per month amounts adjusted for actual membership plus retroactivity, less total claims paid during the month.
- Accrued Premium Reduction amounted to \$5.6 million and is the result of the reserve that GCHP continues to book for the mandated premium rate reduction. The reserve, representing 10 months of reduction retroactive to July 1, was set aside for anticipated future settlement. The April addition to the reserve was \$564K.
- Accrued Premium Tax Payable of \$1.2M reflected the estimated accrued MCO tax as of April 30. Estimated payments are made in accordance with state regulations, and are scheduled to be made after the close of each calendar quarter.

Fund Balance

The fund balance at April 30 was \$5.4 million and was mainly the result of retro-active premium revenue and favorable pharmacy management, reduced by the effect of slightly higher health care costs.

Tangible Net Equity

The Plan's required Tangible Net Equity (TNE) for April was \$3.1 million. According to the phased-in approach approved by the Department of Health Care Services, the Plan was required to attain 20% of the minimum required TNE (\$15.7M). However, the Plan's TNE of \$5.4 million, now at 34%, exceeded the phase-in requirement by \$2.2 million.

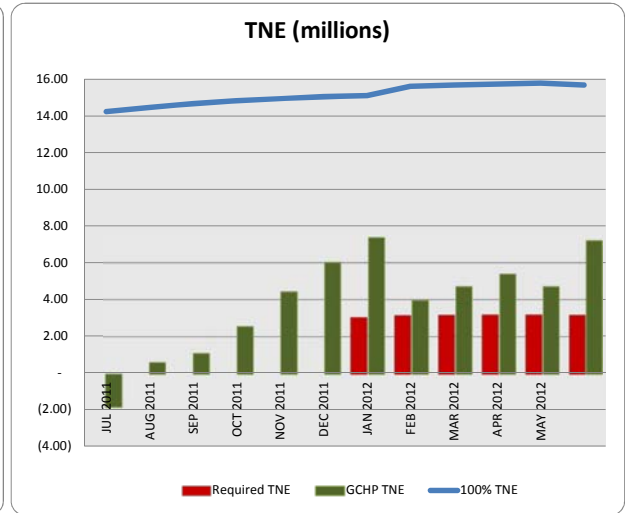
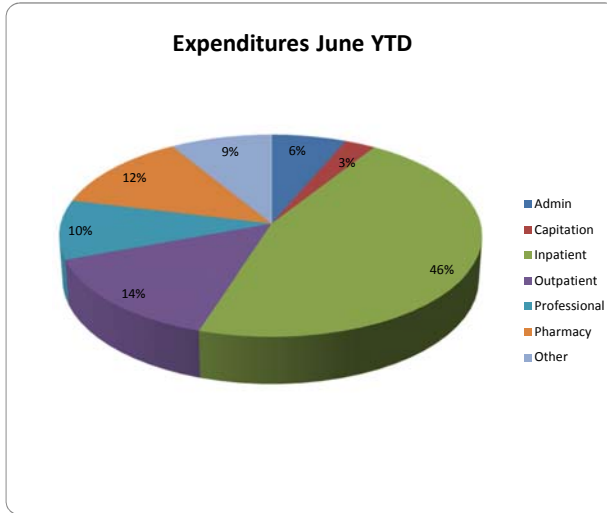
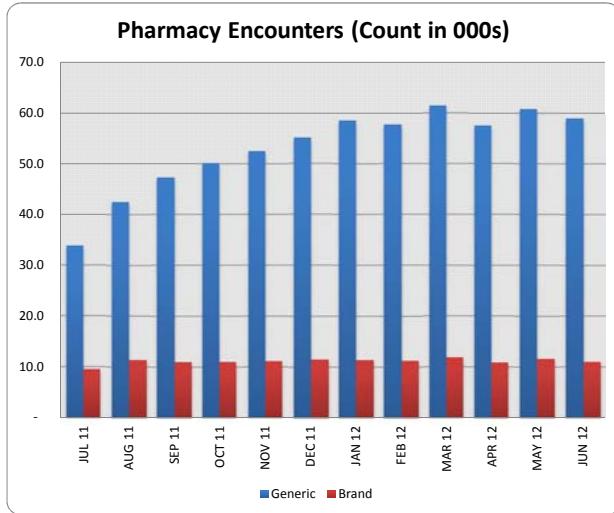
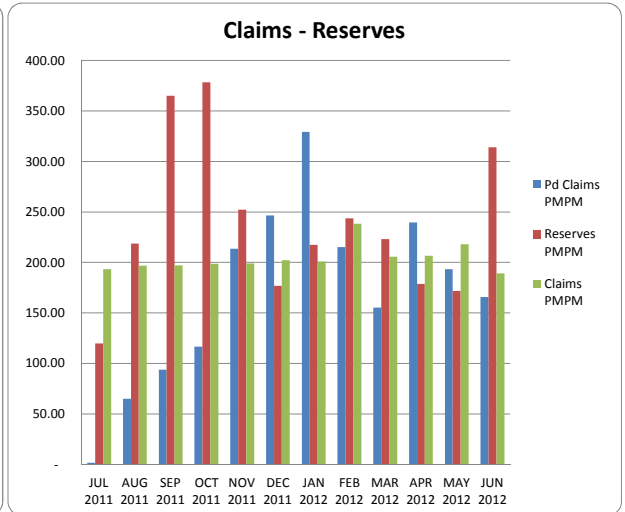
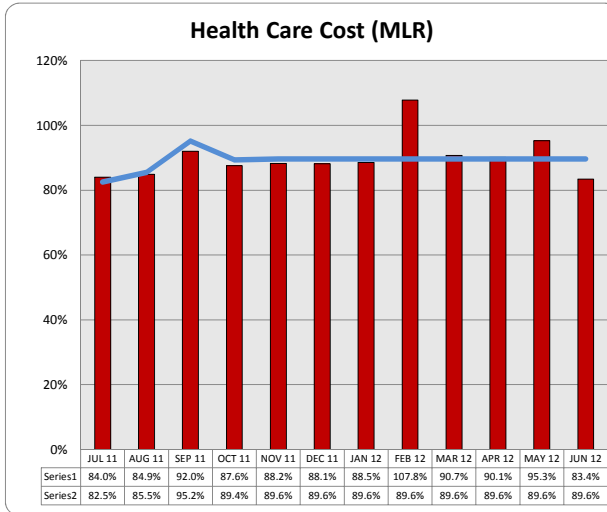
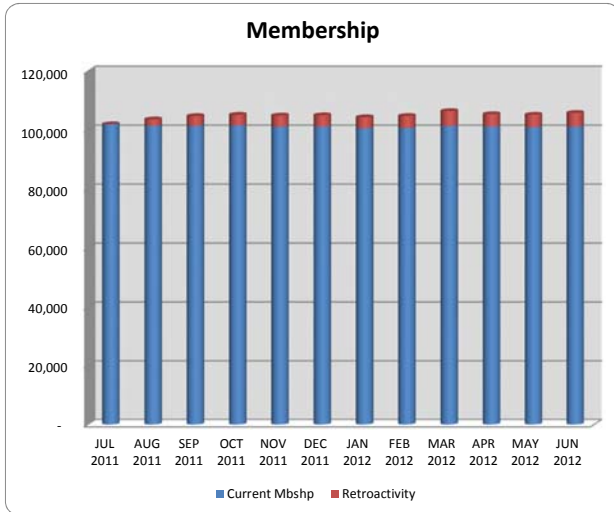
GOLD COAST HEALTH PLAN
SUMMARY FINANCIAL RESULTS
Twelve Months & Year-to-Date

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

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

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

GOLD COAST HEALTH PLAN
Financial Scorecard - June 2012



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Brand vs. Generic Prescription Drugs Comparison

YEAR-TO-DATE THRU JUNE 30, 2012

Summary Key Points

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

Gold Coast Health Plan

Script Care Plan Utilization and Cost Trend

July 1, 2011- June 30, 2012

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

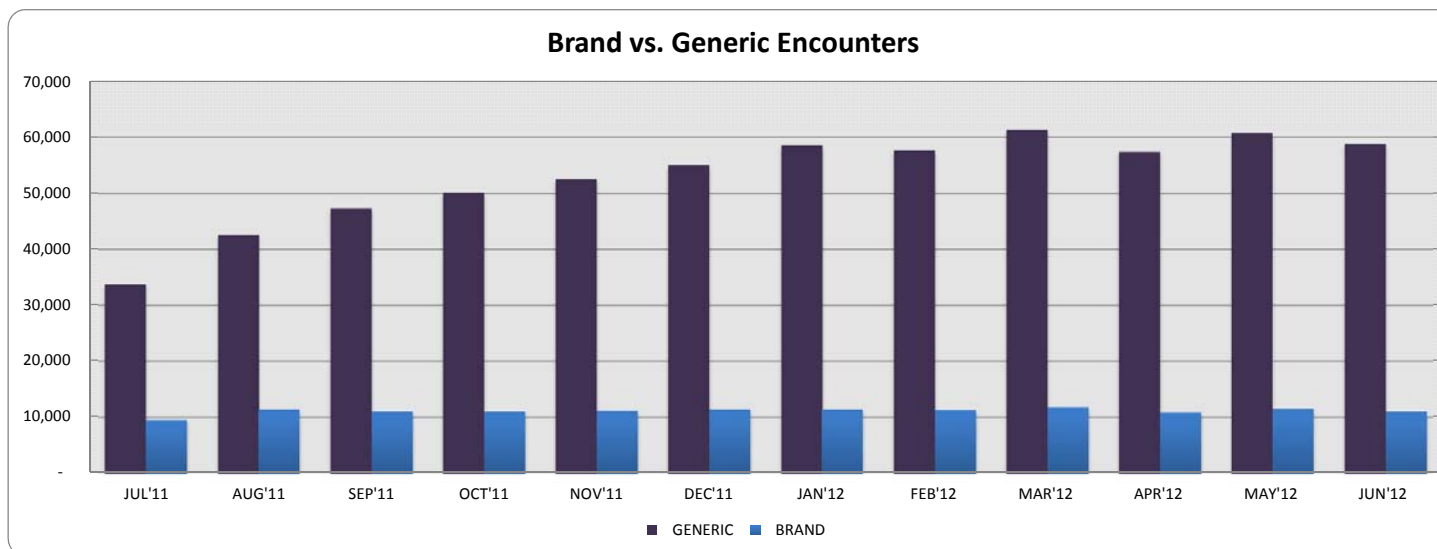
Number Of Claims Paid ²															
BRAND	9,545	11,471	11,068	11,060	11,197	11,482	11,421	11,267	11,903	10,888	11,617	11,052	133,971	231,221	97,250
GENERIC	33,835	42,558	47,334	50,240	52,560	55,093	58,588	57,714	61,435	57,443	60,861	58,950	636,611	635,787	(824)
Total	43,380	54,029	58,402	61,300	63,757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

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

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

Note:

- 1) The actual stats obtained from California Department of Health Care Services.
- 2) The actual stats obtained from Script Care, Ltd.



GCHP 2012 Meeting Schedule

Commission Meetings begin at 3:00 p.m. (except the March & October Commission Meetings which begin at 6:00 p.m.).

Executive Finance Meetings begin at 1:30 p.m.



Gold Coast Health Plan
A Public Entity

Commission Meeting (4th Monday of the Month)
Executive Finance Committee Meeting (1st and 3rd Thursday) *

*With exception of May and November due to Holidays

Black - No Meeting Scheduled

JANUARY						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY						
S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29			

MARCH						
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APRIL						
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22	23	24	25	26	27	28
29	30					

MAY						
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20	21	22	23	24	25	26
27	28	29	30	31		

JUNE						
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY						
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

AUGUST						
S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER						
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						1
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER						
S	M	T	W	T	F	S
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER						
S	M	T	W	T	F	S
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AGENDA ITEM 4

To: Ventura County Medi-Cal Managed Care Commission
From: Cassie Undlin, Interim CEO
Date: July 23, 2012
Re: Tatum Contract Extension

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

1. Interim CEO and Transition CEO until October 31, 2012, including expenses
\$150,000
 2. Project management for Specialty Agreement, (\$250/hr, 160 hrs, including expenses)
est. \$45,000
 3. Project development for Plan to Plan contract, (\$250/hr, 40 hrs., including expenses)
 - a. This funding is for the initial plan development. Implementation management will be an additional request
est. \$11, 000
 4. Vendor Contract management, (\$250/hr, 150 hrs, including expenses)
 - a. This funding is for the oversight and strategic analysis of current outsourcing agreement
est. \$50,000
 5. Overrun of hours on current project:
 - a. Backup Information Technology due to turnover
 - b. Specialty Contract project development
\$30,000
- Total** **\$286,000**

Gold Coast Health Plan

Specialty Contract Implementation Cost

Thursday, July 19, 2012

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

Gold Coast Job Title	MEDIAN SALARY	LOW	HIGH	Department
Chief Executive Officer	\$257,500.00	\$ 206,000.00 ▶	\$ 309,000.00	EXECUTIVE

Under administrative direction, determines, recommends, and implements the organization's strategic goals and objectives by managing, leading, and directing staff to achieve the organization's philosophy, mission, strategy, annual goals, objectives, and financial targets; directs and oversees the development of metrics to measure organizational performance, interacts frequently with the public, governmental organizations, affiliated organizations, and other stakeholders.

Survey Agency	Survey Agency Job Title	Median Rate	Maximum Rate	Analysis
Alameda Alliance for Health	Chief Executive Officer	\$ 290,000.00	\$ 350,000.00	Non-bolded data is not useful in that it is national and not specific to COHS and Ventura County. ACAP National, ACAP less than 100,000 members, and ACAP California provide good data, but only ACAP California is the most reliable. In addition, San Mateo COHS data is skewed on the high side as that urban county has higher pay rates generally than Ventura County. Only CenCal and Ventura County data are reliable in that they serve the same general area, and the wage rates are on the lower end of the Southern California wage rates. However, conclusions can be drawn from the data. Compensation for this position should be increases by a minimum of 25%.
Contra Costa Health Plan	Chief Executive Officer	\$ 200,000.00	\$ 250,000.00	
Inland Empire Health Plan	Chief Executive Officer	\$ 300,000.00	\$ 375,000.00	
San Francisco Health Plan	Chief Executive Officer	\$ 280,000.00	\$ 375,000.00	
Health Plan Of San Joaquin	Chief Executive Officer	\$ 260,000.00	\$ 330,000.00	
Santa Clara Family Health Plan	Chief Executive Officer	\$ 250,000.00	\$ 290,000.00	
California Health Care Systems	Chief Executive Officer	\$ 254,373.00	\$ 278,750.00	
Ventura County	County Executive Officer	\$ 228,000.00	\$ 228,000.00	
	Averages	\$ 257,796.63	\$ 309,593.75	
	80% of Median Rate =	\$ 206,237.30		
Bolded data was acquired from the California State Auditor Medi-Cal Managed Care Program Report 12/11				