



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

**Special Meeting**

**Thursday, February 11, 2016 – 3:00 P.M.**

**Executive Conference Room at Gold Coast Health Plan  
711 E. Daily Drive Suite 106, Camarillo, CA 93010**

**AGENDA**

**CALL TO ORDER / ROLL CALL**

**PUBLIC COMMENT**

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMCC) doing business as Gold Coast Health Plan (GCHP) on the agenda. Persons wishing to address VCMCC should complete and submit a Speaker Card.

Persons wishing to address VCMCC are limited to three minutes. Comments regarding items not on the agenda must be within the subject matter jurisdiction of the Commission.

**CONSENT ITEMS**

**1. Minutes**

Staff: Interim Clerk of the Board

**RECOMMENDATION**

Approve minutes of regular meeting held January 7, 2016.

**FORMAL ACTION ITEMS**

**2. December Financials Report**

Staff: Patricia Mowlavi, Chief Financial Officer

**RECOMMENDATION**

Accept the December 2015 report as presented.

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

**3. Approval of Healthcare Effectiveness Data and Information Set (HEDIS) Contract**

Staff: Kim Osajda, Quality Improvement Director

**RECOMMENDATION**

Approve the HEDIS Contract as presented.

**REPORTS**

**4. Pharmacy Benefits Manager (PBM) RFP Update**

Staff: Anne Freese, Director of Pharmacy

**COMMENTS FROM COMMITTEE MEMBERS**

**CLOSED SESSION**

**5. Discussion Involving Trade Secrets**

Pursuant to Government Code Section 54956.87

Discussion will Concern: Rates of payment for health care services provided by pharmacy benefits providers.

Estimated Date for Public Disclosure of Decision on Rates and Award of Contract: February 2016.

**ADJOURNMENT**

Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California during normal business hours and on <http://goldcoasthealthplan.org>. 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.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by Tuesday, February 9, 2016 by 3 p.m. which will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.



**AGENDA ITEM NO. 1**

To: Gold Coast Health Plan Executive / Finance Committee

From: Magdalen Gutierrez-Roberts, Exec. Assistant to Ruth Watson / Interim Clerk

Date: February 11, 2016

Re: Approval of Minutes

**RECOMMENDATION:**

Staff requests that the Committee approve the regular meeting minutes of January 7, 2016.

**ATTACHMENTS:**

Regular Meeting Minutes: January 7, 2016

**Ventura County Medi-Cal Managed Care Commission (VCOMMCC)  
Executive / Finance Committee and Audit Committee  
Minutes**

**Antonio Alatorre  
David Glycer**

**Gagan Pawar, M.D.  
Dee Pupa**

Dale Villani  
Patricia Mowlavi  
C. Albert Reeves, M.D.

Ruth Watson  
Scott Campbell  
Melissa Scrymgeour

**January 7, 2016**

The Executive / Finance Committee met in regular session in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo California and was called to order by Interim Clerk to the Board, Maddie Gutierrez at 3:20p.m.

**ROLL CALL**

Present: Gagan Pawar, M.D., David Glycer, Dee Pupa, Dale Villani, Ruth Watson, Patricia Mowlavi, C. Albert Reeves, M.D., Melissa Scrymgeour, Steven Lalich, Lyndon Turner and Scott Campbell.

Absent: Antonio Alatorre.

Committee member Glycer presided.

**1. Minutes**

**RECOMMENDATION**

Approve the minutes of the regular Executive/Finance Committee meeting of November 5, 2016.

Committee member Dee Pupa moved to approve the recommendation. Committee member Pawar seconded. The vote was as follows:

AYES: Gagan Pawar, M.D., David Glycer, and Dee Pupa

NOES: None.

ABSENT: Antonio Alatorre.

Committee member Glycer declared the motion carried.

## 2. **Approval Items**

### a. **Total Net Equity (TNE) and Working Capital Policy Presentation**

#### RECOMMENDATION

Accept report as presented.

Chief Financial Officer (CFO) Patricia Mowlavi, reviewed the TNE and Working Capital Policy. The policy establishes ground rules and guidelines to support the long-term financial stability of Gold Coast Health Plan (GCHP). Proposal to establish a TNE and working capital fund policy with a TNE minimum target of 500% of the required TNE from the state. GCHP is the second lowest TNE plan of all County Organized Health Systems (COHS).

Working Capital Reserve Fund was proposed to set aside three months of working capital, which will cover medical and administrative expenses or any Commission approved projects. Committee Member Glycer asked what our current monthly run rate is. CFO Mowlavi stated that we are at \$55 million per month and the policy has been set up to protect the plan.

#### DISCUSSION

Committee Member Pupa stated that she appreciated that this policy has been prepared for the Commission and suggested that when we present to the Commission show what we have in investments. Committee Member Glycer asked if the investments are tied up; CFO Mowlavi stated that the majority of our current investments are all short-term and liquid.

Committee member Dee Pupa moved to approve the recommendation. Committee member Pawar seconded. The vote was as follows:

AYES: Gagan Pawar, M.D., David Glycer, and Dee Pupa

NOES: None.

ABSENT: Antonio Alatorre.

Committee member Glycer declared the motion carried.

## 3. **Accept and File Items**

### a. **Chief Executive Officer (CEO) Update**

Chief Executive Officer Dale Villani gave his report and it was noted that Traci McGinley, Clerk of the Board and one of the original Gold Coast Health Plan (GCHP) employees, has resigned her position as Clerk of the Board and the position has been posted.

Whole Person Care Pilots and Dental Transformation Initiative proposals are due May 15, 2016, and will focus on those providers who are currently receiving payment. The county is the lead and health plans are to be a part of the process.

The Governor's budget is still being analyzed. Funding for undocumented children is in the May timeframe. Managed Care Organization (MCO) tax – the impact to the Medi-Cal program is 1.1 billion dollars but alternative proposals are being considered. The Centers for Medicare / Medicaid Services (CMS) mandated that the tax had to apply to all California health plans equally; commercial health plans are now engaged in looking for a solution since they do not get the same match as the public plans.

Current contracts are up for Commission approval. The Pharmacy Benefits Manager (PBM) contract included 10 bidders. Scoring is currently being done to select finalists and we expect to bring back the top two bidders for presentations with the Plan on January 19<sup>th</sup>. Healthcare Effectiveness Data and Information Set (HEDIS) vendor contract we have four bidders – scoring is almost finished.

Discussion was held regarding bringing the contracts to the Executive Finance Committee prior to the full Commission for approval prior to the February 22<sup>nd</sup> Commission meeting with a tentative date of February 11<sup>th</sup> for a special Executive Finance Meeting.

#### **b. Chief Operating Officer (COO) Update**

Chief Operating Officer Ruth Watson stated construction is moving along for the new building. Five furniture bids will be reviewed and must be presented to the Commission for approval by January 28. The cost will be approximately \$350K to furnish 67 cubicles and 20 offices, which is within budget. Move in is not anticipated until April.

#### **c. Financials – October and November 2015**

Chief Financial Officer Mowlavi noted that financial performance remains strong. For the first five months of the fiscal year ended November 30, 2015, the gain in unrestricted net assets was \$22.8M. Performance was favorable to budget and was driven by higher than expected growth in the Adult Expansion aid category and lower than anticipated health care administrative costs. The Medical Loss Ratio (MLR) was 86.1% and the administrative cost ratio was 5.5%; both are favorable to the budget.

Funds were moved from long-term liabilities to current liabilities in anticipation of the State's recoupment of the DHCS Adult Expansion capitation overpayments. Commissioner Glycer asked what period of time this repayment covered.

CFO Mowlavi stated from January 2014. Committee Member Pupa asked about the Adult Expansion MLR; CFO Mowlavi stated that revenue includes a reserve for the refund to DHCS to achieve the required minimum 85% MLR for Adult Expansion.

#### **d. Investment Committee November 30, 2015 Report**

The Investment Committee met and reviewed the policy (effective in March 2015) and the charter; no changes were recommended. The policy is designed around maintaining safety over principal and diversification of the portfolio. Commercial paper came due in December at \$45M which is timed to coincide with the payment back to the state for the Adult Expansion rate overpayment recoupment. The average yield of the investment portfolio, as of September, was 0.42%. Committee Member Glycer asked if a chart could be added to show where the money is invested. CFO Mowlavi will update the table for presentation to the Commission.

Committee member Pawar moved to approve the recommendation. Committee member Pupa seconded. The vote was as follows:

AYES: Gagan Pawar, M.D., David Glycer, and Dee Pupa

NOES: None.

ABSENT: Antonio Alatorre.

Committee member Glycer declared the motion carried.

#### **ADJOURNMENT**

The meeting was adjourned at 3:55 p.m. Dr. Pawar was excused and the remaining group reconvened under the Audit Committee.

### **Audit Committee Meeting Minutes**

The Audit Committee met in regular session in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo California and was called to order by Interim Clerk to the Board, Maddie Gutierrez at 4:01p.m.

#### **ROLL CALL**

Present: David Glycer, Dee Pupa, Steven Lalich, Dale Villani, Ruth Watson, Patricia Mowlavi, Lyndon Turner Scott Campbell, and C. Albert Reeves, M.D.

Absent: Antonio Alatorre.

Committee member Pupa presided.

## 1. **Approval of Items**

### a. **Fiscal Year 2015-2016 External Auditor Contract with Moss Adams**

#### RECOMMENDATION

Approve the External Auditor Contract with Moss Adams as presented.

Committee member David Glycer moved to approve the recommendation. Committee member Pupa seconded. The vote was as follows:

AYES: David Glycer, and Dee Pupa

NOES: None.

ABSENT: Antonio Alatorre.

Committee member Pupa declared the motion carried.

### b. **Audit Plan**

Marty Haisma presented the Internal Audit Program. The general function of the internal audit is to report to the Audit Committee. Mr. Haisma explained that the audit function provides independent, objective assurance of the Plan's risk management, internal controls and governance and the processes in place for ensuring effectiveness, efficiency and economy. An audit plan risk assessment was performed earlier this year. High level conversations were held with key members of management to work on potential key risks. These risks were reviewed for 2016 not specific to GCHP but to the industry. Committee Member Glycer asked if there was a document ranking the risks; Mr. Haisma stated that he would create one and present it to the committee.

Proposal for the Audit Plan for 2016 would be:

- Risks with purchasing and expenditures – how are we spending our money
- Any state action plan from previous audits or from previous external audits for financial purposes and see what we have done to address those
- Revenue and understanding our process controls

An audit against this plan can be done prior to the next meeting in April. Committee Member Glycer asked if Mr. Haisma will report at every meeting. Mr. Haisma stated he can distribute findings prior to the next meeting.

Committee member Glycer moved to approve the audit plan. Committee member Pupa seconded. The vote was as follows:



AYES: David Glycer, and Dee Pupa

NOES: None.

ABSENT: Antonio Alatorre.

Committee member Pupa declared the motion carried.

### **ADJOURNMENT**

The meeting was adjourned at 4:06 p.m.

Magdalen Gutierrez-Roberts  
Interim Clerk



## **AGENDA ITEM NO. 2**

To: Gold Coast Health Plan Executive / Finance Committee

From: Patricia Mowlavi, Chief Financial Officer

Date: February 11, 2016

Re: December 2015 Financials

### **SUMMARY:**

Staff is presenting the attached fiscal year to date (FYTD) December 2015 financial statements (unaudited) of Gold Coast Health Plan (Plan) for review by the Executive / Finance Committee. The Plan requests that the Executive / Finance Committee recommend approval of these financials to the Commission.

### **BACKGROUND / DISCUSSION:**

The staff has prepared the FYTD December 2015 financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

### **FISCAL IMPACT:**

#### **Financial Highlights**

Overall Performance – For the six months ending December 31, 2015, the Plan's gain in unrestricted net assets was approximately \$24.3 million on revenues of \$322.7 million which compares favorably to the budget of \$315.7 million. The \$7.0 million favorable variance was largely due to the continued growth in membership in the Adult Expansion (AE) category of aid. Also contributing to the variance was lower than anticipated health care and administrative costs.

Tangible Net Equity – The Plan's operating performance has increased the Tangible Net Equity (TNE) amount to approximately \$131.4 million, which is \$44.2 million better than budget. The Plan's TNE (excluding the \$7.2 million County of Ventura lines of credit) is at 550% of the State required TNE amount. The sharp rise in the TNE has been assisted, in part, by an increase in capitated arrangements which are excluded from the required TNE calculation.

Membership – December membership of 203,857 exceeded budget by 7,822 members. The increase in membership was primarily in the Adult Expansion (AE) category, which accounts for 62% of the total growth year over year.

Revenue – FYTD, net revenue was \$322.7 million or \$7.0 million favorable to budget. The positive variance was primarily due to increase in membership with higher capitation rates (Adult Expansion).

For the year, revenue includes a \$16.9 million reserve for rate reductions associated with AE. This reserve represents an expected refund, to Department of Health Care Services (DHCS), for rate overpayments (DHCS was paying at July 1, 2014 rates rather than the July 1, 2015 published rates) and the anticipated refund of revenue to achieve a medical loss ratio (MLR) of 85%, for this aid category. (The MLR is calculated by dividing health care costs by revenue.).

Health Care Costs – FYTD health care costs were \$280.6 million or \$7.4 million lower than budget. Health care costs continue to increase with December's MLR at 91.3% compared to 90.8% for November. – the month over month increase was driven by increased long term care, outpatient and pharmacy expenses. For the year, the MLR is 86.9% versus budget of 91.2%.

Some health care cost items of note include:

- Capitation – FYTD, capitation was \$48.4 million or \$11.7 million unfavorable to budget. The unfavorable variance was driven by the Enhanced Adult Expansion Capitation program, which was revised effective July 2015, as well as higher than budgeted capitated membership growth.
- Fee for Service – FYTD, total claims expense was \$223.8 million compared to a budget of \$239.2 million. While there was some movement of services between categories, the overall variance is driven by lower than expected Inpatient and Specialty Physician costs.
- Pharmacy – FYTD, overall Pharmacy expense was \$46.3 million or \$818,000 unfavorable to budget.
- Physician ACA 1202 – An ACA 1202 payment of \$524,000 was made in December.

Administrative Expenses – FYTD, administrative costs were \$17.9 million or \$2.6 million lower than budget. Savings were realized due to delays in new hires and related costs associated with personnel. These savings were somewhat offset by higher expenses in outside services, which are primarily driven by membership.

The administrative cost ratio (ACR) for FYTD is 5.5% versus 6.5% for budget. (The ACR is calculated by dividing administrative expenses by total revenue.)

Cash and Medi-Cal Receivable – At December 31, 2015, the Plan had \$408.2 million in cash and short term investments and \$62.1 million in Medi-Cal Receivable for an aggregate amount of \$470.3 million. The cash amount also included pass-through payments for AB 85 of \$1.8 million and Managed Care Organizations (MCO) tax of \$3.8 million. Excluding the impact of these amounts, the cash amount would be \$402.6 million. Note that a significant portion of the cash will be used for repayments of amounts owed to the State of California (\$235.0 million) and the County of Ventura (\$7.2 million).

Investment Portfolio – As of December 31, 2015, the value of the investments were as follows:

- Short-term Investments \$220.3 million: Cal Trust \$80.2 million; Ventura County Investment Pool \$80.1 million; LAIF CA State \$50.0 million; Bonds \$10.0 million.
- Long-term Investments (Bonds) \$19.5 million.

Short term investments in commercial paper matured in December and the redemption value of \$45.0 million is being held in a money market account to cover the recoupment of the AE overpayments scheduled by the State.



**FINANCIAL PACKAGE**

For the month ended December 31, 2015

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Financial Overview

Financial Performance Dashboard

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Statement of Financial Positions

YTD Statement of Revenues, Expenses and Changes in Net Assets

Statement of Revenues, Expenses and Changes in Net Assets

Statement of Financial Positions

YTD Cash Flow

Monthly Cash Flow

Cash Trend Combined

Membership

Total Expense Composition

Paid Claims and IBNP Composition

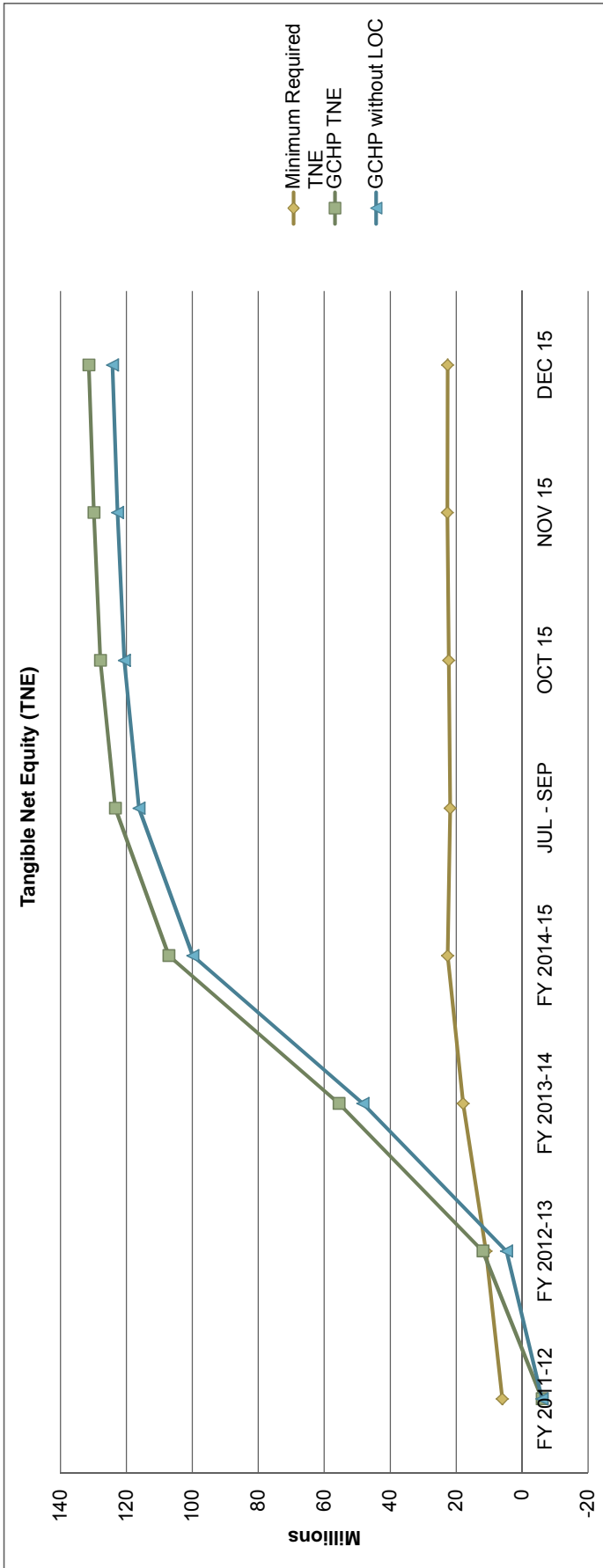
Pharmacy Cost & Utilization Trends

**GOLD COAST HEALTH PLAN  
FINANCIAL RESULTS SUMMARY**

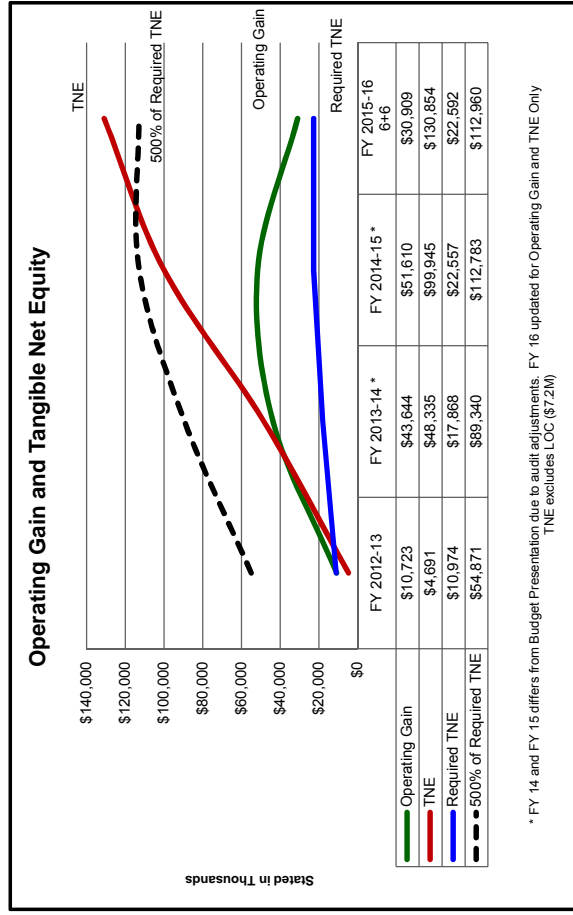
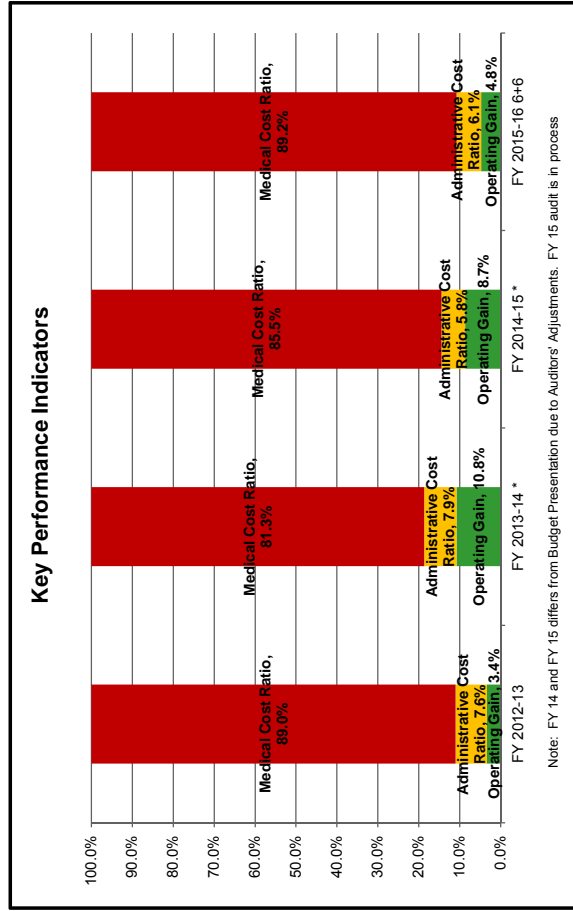
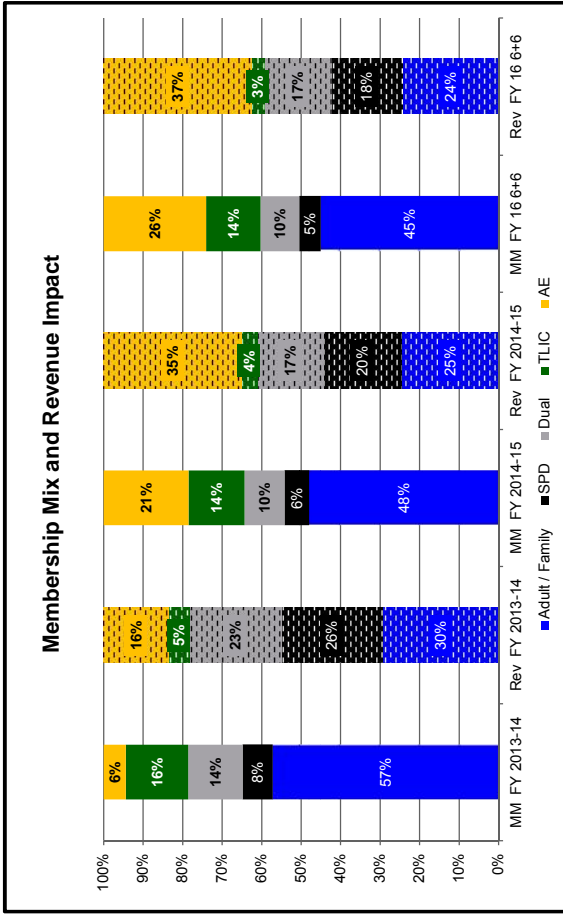
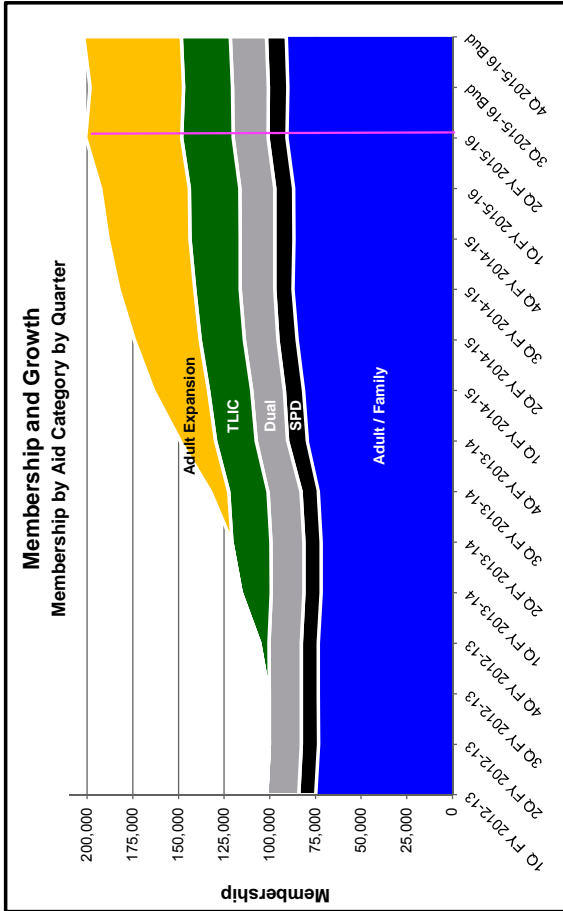
Description	FY 2015-16										Budget Comparison		
	AUDITED	AUDITED	AUDITED	AUDITED	JUL - SEP	OCT 15	NOV 15	DEC 15	DEC 15	DEC 15	Budget FYTD	Variance Fav / (Unfav)	Variance Fav / (Unfav)%
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15					FYTD	FYTD			
<b>Member Months</b>	1,258,189	1,223,895	1,553,660	2,130,979	578,056	198,148	200,385	203,857	1,180,446	1,159,563	20,883		1.8 %
<b>Revenue</b>	304,635,932	315,119,611	402,701,476	595,607,370	162,960,677	52,508,015	53,274,568	53,961,656	322,704,916	315,695,908	7,009,008		2.2 %
<i>ppm</i>	242.12	257.47	259.20	279.50	281.91	264.99	265.86	264.70	273.38	272.25	1.12		0.4 %
<b>Health Care Costs</b>	287,353,672	280,382,704	327,305,832	509,183,268	137,845,237	45,086,757	48,350,456	49,274,672	280,557,122	287,977,651	7,420,530		2.6 %
<i>ppm</i>	228.39	229.09	210.67	238.94	238.46	227.54	241.29	241.71	237.67	248.35	10.68		4.3 %
% of Revenue	94.3%	89.0%	81.3%	85.5%	84.6%	85.9%	90.8%	91.3%	86.9%	91.2%	4.3 %		4.7 %
<b>Admin Exp</b>	18,891,320	24,013,927	31,751,533	34,814,049	8,827,059	2,951,994	2,901,309	3,182,244	17,862,605	20,428,652	2,566,047		12.6 %
<i>ppm</i>	15.01	19.62	20.44	16.34	15.27	14.90	14.48	15.61	15.13	17.62	2.49		14.1 %
% of Revenue	6.2%	7.6%	7.9%	5.8%	5.4%	5.6%	5.4%	5.9%	5.5%	6.5%	0.9 %		14.5 %
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	(1,609,063)	10,722,980	43,644,110	51,610,053	16,288,381	4,469,265	2,022,803	1,504,740	24,285,190	7,289,605	16,995,585		233.1 %
<i>ppm</i>	(1.28)	8.76	28.09	24.22	28.18	22.56	10.09	7.38	20.57	6.29	14.29		227.3 %
% of Revenue	-0.5%	3.4%	10.8%	8.7%	10.0%	8.5%	3.8%	2.8%	7.5%	2.3%	5.2%		225.9 %
<b>YTD</b>	16,769,368	16,138,440	17,867,986	22,556,530	21,819,072	22,266,192	22,698,761	22,591,994	22,591,994	24,578,958	(1,986,964)		(8.1)%
% TNE Required	36%	68%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Minimum Required TNE	6,036,972	10,974,139	17,867,986	22,556,530	21,819,072	22,266,192	22,698,761	22,591,994	22,591,994	24,578,958	(1,986,964)		(8.1)%
<b>GCHP TNE</b>	(6,031,881)	11,891,099	55,535,211	107,145,264	123,433,646	127,902,910	129,925,714	131,430,454	131,430,454	87,269,057	44,161,396		50.6 %
TNE Excess / (Deficiency)	(12,068,853)	916,960	37,667,225	84,588,734	101,614,573	105,636,718	107,226,953	108,838,460	108,838,460	62,690,100	46,148,360		73.6 %
% of Required TNE level			311%	475%	566%	574%	572%	582%	582%	355%			
% of Required TNE level (excluding \$7.2 million LOC)			271%	443%	533%	542%	541%	550%	550%	326%			

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

GOLD COAST HEALTH PLAN  
TANGIBLE NET EQUITY (TNE) CHART



**FINANCIAL PERFORMANCE DASHBOARD  
FOR MONTH ENDING DECEMBER 31, 2015**



\* FY 14 and FY 15 differs from Budget Presentation due to audit adjustments. FY 16 updated for Operating Gain and TNE Only  
TNE excludes LOC (\$7.2M)

Note: 6+6 indicates 6 months of actual results followed by 6 months of forecasts





For the month ended December 31, 2015

**APPENDIX**

- Statement of Financial Positions
- YTD Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Financial Positions
- YTD Cash Flow
- Monthly Cash Flow
- Cash Trend Combined
- Membership
- Total Expense Composition
- Paid Claims and IBNP Composition
- Pharmacy Cost & Utilization Trends

**STATEMENT OF FINANCIAL POSITION**

	12/31/15	11/30/15	10/31/15	Audited FY 2014 - 15
<b>ASSETS</b>				
<b>Current Assets:</b>				
<b>Total Cash and Cash Equivalents</b>	\$ 187,837,453	\$ 142,007,241	\$ 113,497,885	\$ 57,218,141
<b>Total Short-Term Investments</b>	220,367,591	260,280,302	260,218,693	165,090,357
Medi-Cal Receivable	62,093,422	61,369,356	62,291,090	129,782,958
Interest Receivable	360,157	441,372	358,970	208,010
Provider Receivable	376,294	932,608	618,992	579,482
Other Receivables	174,887	172,025	172,044	979,647
<b>Total Accounts Receivable</b>	<b>63,004,760</b>	<b>62,915,360</b>	<b>63,441,096</b>	<b>131,550,096</b>
Total Prepaid Accounts	1,538,044	1,540,371	1,338,926	766,831
Total Other Current Assets	133,545	133,545	81,702	81,702
<b>Total Current Assets</b>	<b>472,881,394</b>	<b>466,876,820</b>	<b>438,578,301</b>	<b>354,707,127</b>
<b>Total Fixed Assets</b>	<b>935,810</b>	<b>956,135</b>	<b>981,894</b>	<b>1,084,113</b>
<b>Total Long-Term Investments</b>	<b>19,481,959</b>	<b>24,531,226</b>	<b>24,554,488</b>	<b>24,647,362</b>
<b>Total Assets</b>	<b>\$ 493,299,163</b>	<b>\$ 492,364,181</b>	<b>\$ 464,114,682</b>	<b>\$ 380,438,602</b>
<b>LIABILITIES &amp; NET ASSETS</b>				
<b>Current Liabilities:</b>				
Incurred But Not Reported	\$ 58,777,984	\$ 60,459,311	\$ 55,476,902	\$ 52,372,146
Claims Payable	9,502,532	11,683,971	11,320,074	13,747,426
Capitation Payable	27,603,356	29,096,440	28,417,041	34,466,106
Physician ACA 1202 Payable	10,076,883	10,600,928	10,600,928	10,965,642
AB 85 Payable	1,835,505	1,779,287	3,275,907	3,818,147
Accounts Payable	411,484	2,507,055	565,247	3,449,087
Accrued ACS	3,231,286	1,604,232	1,593,827	1,480,556
Accrued Expenses	113,717,565	106,251,563	10,094,486	6,249,194
Accrued Premium Tax	3,821,943	4,122,354	4,742,315	3,641,573
Accrued Interest Payable	94,545	90,109	84,179	70,711
Current Portion of Deferred Revenue	230,000	268,333	306,667	460,000
Accrued Payroll Expense	630,605	978,546	960,437	1,152,720
<b>Total Current Liabilities</b>	<b>229,933,687</b>	<b>229,442,130</b>	<b>127,438,011</b>	<b>131,873,310</b>
<b>Long-Term Liabilities:</b>				
DHCS - Reserve for Capitation Recoup	131,284,946	132,379,703	208,190,569	140,970,602
Other Long-term Liability-Deferred Rent	650,076	616,634	583,193	449,427
Notes Payable	7,200,000	7,200,000	7,200,000	7,200,000
<b>Total Long-Term Liabilities</b>	<b>139,135,022</b>	<b>140,196,337</b>	<b>215,973,761</b>	<b>148,620,029</b>
<b>Total Liabilities</b>	<b>369,068,709</b>	<b>369,638,467</b>	<b>343,411,772</b>	<b>280,493,338</b>
<b>Net Assets:</b>				
Beginning Net Assets	99,945,264	99,945,264	99,945,264	48,335,211
Total Increase / (Decrease in Unrestricted Net	24,285,190	22,780,450	20,757,646	51,610,053
<b>Total Net Assets</b>	<b>124,230,454</b>	<b>122,725,714</b>	<b>120,702,910</b>	<b>99,945,264</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 493,299,163</b>	<b>\$ 492,364,181</b>	<b>\$ 464,114,682</b>	<b>\$ 380,438,602</b>

**FINANCIAL INDICATORS**

Current Ratio	2.06 : 1	2.03 : 1	3.44 : 1	2.69 : 1
Days Cash on Hand	233	235	233	67
Days Cash + State Capitation Rec	268	271	271	107
Days Cash + State Capitation Rec (less Tax Li	266	268	268	106

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR SIX MONTHS ENDING DECEMBER 31, 2015**

	December 15 Year-To-Date		Variance
	Actual	Budget	Fav / (Unfav)
<b>Membership (includes retro members)</b>	1,180,446	1,159,563	20,883
<b>Revenue</b>			
Premium	\$ 352,986,936	\$ 352,630,001	\$ 356,935
Reserve for Rate Reduction	(16,915,000)	(24,233,480)	7,318,480
MCO Premium Tax	(13,898,862)	(12,930,613)	(968,249)
<b>Total Net Premium</b>	<b>322,173,075</b>	<b>315,465,908</b>	<b>6,707,167</b>
<b>Other Revenue:</b>			
Miscellaneous Income	531,841	230,000	301,841
<b>Total Other Revenue</b>	<b>531,841</b>	<b>230,000</b>	<b>301,841</b>
<b>Total Revenue</b>	<b>322,704,916</b>	<b>315,695,908</b>	<b>7,009,008</b>
<b>Medical Expenses:</b>			
<u>Capitation (PCP, Specialty, Kaiser, NEMT &amp; Vision)</u>	48,418,344	36,701,105	(11,717,239)
<u>FFS Claims Expenses:</u>			
Inpatient	51,322,238	58,755,765	7,433,527
LTC / SNF	51,342,065	54,248,518	2,906,453
Outpatient	22,268,010	18,996,278	(3,271,732)
Laboratory and Radiology	1,852,345	1,336,318	(516,027)
Emergency Room	8,325,468	7,744,112	(581,356)
Physician Specialty	20,982,144	24,908,994	3,926,850
Primary Care Physician	6,595,070	7,877,198	1,282,128
Home & Community Based Services	6,977,777	7,426,469	448,692
Applied Behavior Analysis Services	307,525	656,057	348,532
Mental Health Services	2,288,003	2,660,649	372,646
Pharmacy	46,331,092	45,513,232	(817,860)
Provider Reserve	0	3,422,366	3,422,366
Other Medical Professional	944,076	1,235,598	291,522
Other Medical Care	739	0	(739)
Other Fee For Service	3,507,382	3,589,619	82,237
Transportation	736,674	853,652	116,978
Total Claims	223,776,796	239,224,825	15,448,029
Medical & Care Management Expense	7,982,848	10,407,100	2,424,252
Reinsurance	1,050,670	1,644,621	593,951
Claims Recoveries	(671,536)	0	671,536
Sub-total	8,361,982	12,051,721	3,689,740
<b>Total Cost of Health Care</b>	<b>280,557,122</b>	<b>287,977,651</b>	<b>7,420,530</b>
<b>Contribution Margin</b>	<b>42,147,794</b>	<b>27,718,257</b>	<b>14,429,538</b>
<b>General &amp; Administrative Expenses:</b>			
Salaries and Wages	4,381,937	5,127,373	745,436
Payroll Taxes and Benefits	1,141,301	1,514,652	373,351
Travel and Training	90,497	339,329	248,832
Outside Service - ACS	9,472,748	8,968,409	(504,339)
Outside Services - Other	841,319	1,053,457	212,138
Accounting & Actuarial Services	166,738	222,000	55,263
Legal	271,273	525,000	253,727
Insurance	195,699	163,008	(32,691)
Lease Expense - Office	396,205	521,640	125,435
Consulting Services	373,250	722,884	349,634
Advertising and Promotion	48,199	31,020	(17,179)
General Office	888,762	1,367,091	478,329
Depreciation & Amortization	123,582	196,157	72,575
Printing	23,409	63,470	40,061
Shipping & Postage	39,000	67,669	28,669
Interest	177,434	128,520	(48,914)
<b>Total G &amp; A Expenses</b>	<b>18,631,355</b>	<b>21,011,679</b>	<b>2,380,324</b>
<b>Total Operating Gain / (Loss)</b>	<b>\$ 23,516,440</b>	<b>\$ 6,706,578</b>	<b>\$ 16,809,862</b>
<b>Non Operating</b>			
Revenues - Interest	792,584	600,000	192,584
Expenses - Interest	23,834	16,973	(6,861)
<b>Total Non-Operating</b>	<b>768,750</b>	<b>583,027</b>	<b>185,723</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>\$ 24,285,190</b>	<b>\$ 7,289,605</b>	<b>\$ 16,995,585</b>
Net Assets, Beginning of Year	99,945,264		
Net Assets, End of Year	<u>124,230,454</u>		

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

	FY 2015-16 Monthly Trend			Current Month		
	SEP 15	OCT 15	NOV 15	DECEMBER 2015		Variance
				Actual	Budget	Fav / (Unfav)
<b>Membership (includes retro members)</b>	194,875	198,148	200,385	203,857	196,035	7,822
<b>Revenue:</b>						
Premium	\$ 61,599,815	\$ 58,478,429	\$ 59,641,624	\$ 60,609,835	\$ 60,145,833	\$ 464,002
Reserve for Rate Reduction	(1,360,000)	(4,008,000)	(4,057,000)	(4,300,000)	(4,218,049)	(81,951)
MCO Premium Tax	(2,425,493)	(2,302,588)	(2,348,389)	(2,386,513)	(2,202,157)	(184,356)
<b>Total Net Premium</b>	<b>57,814,322</b>	<b>52,167,841</b>	<b>53,236,235</b>	<b>53,923,322</b>	<b>53,725,627</b>	<b>197,695</b>
<b>Other Revenue:</b>						
Miscellaneous Income	38,333	340,175	38,333	38,333	38,334	1
<b>Total Other Revenue</b>	<b>38,333</b>	<b>340,175</b>	<b>38,333</b>	<b>38,333</b>	<b>38,334</b>	<b>1</b>
<b>Total Revenue</b>	<b>57,852,656</b>	<b>52,508,015</b>	<b>53,274,568</b>	<b>53,961,656</b>	<b>53,763,961</b>	<b>197,696</b>
<b>Medical Expenses:</b>						
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	7,787,648	8,769,026	8,427,985	8,416,645	6,279,966	(2,136,679)
<b>FFS Claims Expenses:</b>						
Inpatient	8,229,483	6,591,724	9,783,188	6,939,460	10,054,336	3,114,876
LTC / SNF	7,865,679	9,041,831	8,114,443	9,457,002	9,134,556	(322,446)
Outpatient	3,102,655	3,745,058	3,888,244	4,874,113	3,237,398	(1,636,715)
Laboratory and Radiology	407,192	245,011	417,957	253,526	228,461	(25,065)
Emergency Room	1,337,763	1,377,596	1,408,873	1,384,893	1,317,400	(67,493)
Physician Specialty	3,704,106	3,323,918	3,574,803	3,527,663	4,255,032	727,369
Primary Care Physician	1,246,805	1,080,484	1,058,710	1,051,572	1,336,075	284,503
Home & Community Based Services	1,243,477	1,046,240	1,161,347	1,351,551	1,250,599	(100,952)
Applied Behavior Analysis Services	49,314	47,495	67,271	56,046	163,833	107,788
Mental Health Services	344,811	298,755	278,330	296,508	452,336	155,828
Pharmacy	7,879,357	7,939,073	7,785,843	8,641,594	7,756,982	(884,612)
<b>Provider Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>580,667</b>	<b>580,667</b>
Other Medical Professional	176,404	192,042	213,077	116,294	210,735	94,441
Other Medical Care	0	341	0	0	0	0
Other Fee For Service	570,136	604,476	554,146	786,864	608,322	(178,542)
Transportation	122,272	152,765	137,567	106,588	145,524	38,936
<b>Total Claims</b>	<b>36,279,454</b>	<b>35,682,998</b>	<b>38,443,800</b>	<b>38,843,673</b>	<b>40,732,256</b>	<b>1,888,583</b>
Medical & Care Management Expense	1,238,703	1,322,188	1,276,963	1,410,289	1,737,426	327,137
Reinsurance	276,955	(342,165)	284,242	287,084	282,241	(4,842)
Claims Recoveries	(250,030)	(345,290)	(82,534)	316,981	0	(316,981)
Sub-total	1,265,628	634,733	1,478,672	2,014,354	2,019,667	5,314
<b>Total Cost of Health Care</b>	<b>45,332,729</b>	<b>45,086,757</b>	<b>48,350,456</b>	<b>49,274,672</b>	<b>49,031,889</b>	<b>(242,783)</b>
<b>Contribution Margin</b>	<b>12,519,927</b>	<b>7,421,259</b>	<b>4,924,112</b>	<b>4,686,984</b>	<b>4,732,072</b>	<b>(45,088)</b>
<b>General &amp; Administrative Expenses:</b>						
Salaries and Wages	715,375	724,858	664,080	787,225	894,001	106,776
Payroll Taxes and Benefits	195,413	193,656	186,552	174,678	263,799	89,121
Travel and Training	18,388	19,290	16,969	12,853	38,385	25,532
Outside Service - ACS	1,578,000	1,594,863	1,642,121	1,628,393	1,515,543	(112,850)
Outside Services - Other	155,310	128,132	161,411	125,073	182,682	57,609
Accounting & Actuarial Services	5,930	25,280	17,380	78,148	25,000	(53,148)
Legal	(35,214)	(30,846)	47,671	98,593	87,500	(11,093)
Insurance	35,303	34,973	34,973	25,161	27,168	2,007
Lease Expense - Office	66,034	66,034	66,034	66,034	86,940	20,906
Consulting Services	70,228	97,990	19,345	81,081	144,517	63,436
Advertising and Promotion	8,447	0	6,116	0	0	0
General Office	120,298	158,598	126,141	183,685	166,925	(16,760)
Depreciation & Amortization	20,463	20,768	20,768	20,768	38,505	17,737
Printing	1,849	12,756	1,512	700	3,425	2,725
Shipping & Postage	883	22,202	2,938	81	3,054	2,973
Interest	17,407	28,884	33,702	49,638	21,701	(27,937)
<b>Total G &amp; A Expenses</b>	<b>2,974,114</b>	<b>3,097,438</b>	<b>3,047,714</b>	<b>3,332,111</b>	<b>3,499,145</b>	<b>167,034</b>
<b>Total Operating Gain / (Loss)</b>	<b>9,545,813</b>	<b>4,323,821</b>	<b>1,876,398</b>	<b>1,354,873</b>	<b>1,232,927</b>	<b>121,947</b>
<b>Non Operating:</b>						
Revenues - Interest	138,558	148,789	152,335	154,302	100,000	54,302
Expenses - Interest	3,247	3,344	5,930	4,436	2,939	(1,497)
<b>Total Non-Operating</b>	<b>135,311</b>	<b>145,444</b>	<b>146,405</b>	<b>149,867</b>	<b>97,061</b>	<b>52,806</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>9,681,123</b>	<b>4,469,265</b>	<b>2,022,803</b>	<b>1,504,740</b>	<b>1,329,988</b>	<b>174,752</b>
<b>Full Time Employees</b>				<b>171</b>	<b>201</b>	<b>30</b>

**MPPM - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

	SEP 15	OCT 15	NOV 15	DECEMBER 2015		Variance Fav / (Unfav)
				Actual	Budget	
<b>Membership (includes retro members)</b>	194,875	198,148	200,385	203,857	196,035	7,822
<b>Revenue:</b>						
Premium	316.10	295.13	297.64	297.32	306.81	(9.50)
Reserve for Rate Reduction	(6.98)	(20.23)	(20.25)	(21.09)	(21.52)	0.42
MCO Premium Tax	(12.45)	(11.62)	(11.72)	(11.71)	(11.23)	(0.47)
<b>Total Net Premium</b>	<b>296.67</b>	<b>263.28</b>	<b>265.67</b>	<b>264.52</b>	<b>274.06</b>	<b>(9.55)</b>
<b>Other Revenue:</b>						
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.20	1.72	0.19	0.19	0.20	(0.01)
<b>Total Other Revenue</b>	<b>0.20</b>	<b>1.72</b>	<b>0.19</b>	<b>0.19</b>	<b>0.20</b>	<b>(0.01)</b>
<b>Total Revenue</b>	<b>296.87</b>	<b>264.99</b>	<b>265.86</b>	<b>264.70</b>	<b>274.26</b>	<b>(9.55)</b>
<b>Medical Expenses:</b>						
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	39.96	44.25	42.06	41.29	32.03	(9.25)
<b>FFS Claims Expenses:</b>						
Inpatient	42.23	33.27	48.82	34.04	51.29	17.25
LTC / SNF	40.36	45.63	40.49	46.39	46.60	0.21
Outpatient	15.92	18.90	19.40	23.91	16.51	(7.40)
Laboratory and Radiology	2.09	1.24	2.09	1.24	1.17	(0.08)
Emergency Room	6.86	6.95	7.03	6.79	6.72	(0.07)
Physician Specialty	19.01	16.77	17.84	17.30	21.71	4.40
Primary Care Physician	6.40	5.45	5.28	5.16	6.82	1.66
Home & Community Based Services	6.38	5.28	5.80	6.63	6.38	(0.25)
Applied Behavior Analysis Services	0.25	0.24	0.34	0.27	0.84	0.56
Mental Health Services	1.77	1.51	1.39	1.45	2.31	0.85
Pharmacy	40.43	40.07	38.85	42.39	39.57	(2.82)
<b>Adult Expansion Reserve</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Provider Reserve</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.96</b>	<b>2.96</b>
Other Medical Professional	0.91	0.97	1.06	0.57	1.07	0.50
Other Medical Care	0.00	0.00	0.00	0.00	0.00	0.00
Other Fee For Service	2.93	3.05	2.77	3.86	3.10	(0.76)
Transportation	0.63	0.77	0.69	0.52	0.74	0.22
<b>Total Claims</b>	<b>186.17</b>	<b>180.08</b>	<b>191.85</b>	<b>190.54</b>	<b>207.78</b>	<b>17.24</b>
Medical & Care Management Expense	6.36	6.67	6.37	6.92	8.86	1.94
Reinsurance	1.42	(1.73)	1.42	1.41	1.44	0.03
Claims Recoveries	(1.28)	(1.74)	(0.41)	1.55	0.00	(1.55)
<b>Sub-total</b>	<b>6.49</b>	<b>3.20</b>	<b>7.38</b>	<b>9.88</b>	<b>10.30</b>	<b>0.42</b>
<b>Total Cost of Health Care</b>	<b>232.62</b>	<b>227.54</b>	<b>241.29</b>	<b>241.71</b>	<b>250.12</b>	<b>8.41</b>
<b>Contribution Margin</b>	<b>64.25</b>	<b>37.45</b>	<b>24.57</b>	<b>22.99</b>	<b>24.14</b>	<b>(1.15)</b>
<b>General &amp; Administrative Expenses:</b>						
Salaries and Wages	3.67	3.66	3.31	3.86	4.56	0.70
Payroll Taxes and Benefits	1.00	0.98	0.93	0.86	1.35	0.49
Travel and Training	0.09	0.10	0.08	0.06	0.20	0.13
Outside Service - ACS	8.10	8.05	8.19	7.99	7.73	(0.26)
Outside Services - Other	0.80	0.65	0.81	0.61	0.93	0.32
Accounting & Actuarial Services	0.03	0.13	0.09	0.38	0.13	(0.26)
Legal	(0.18)	(0.16)	0.24	0.48	0.45	(0.04)
Insurance	0.18	0.18	0.17	0.12	0.14	0.02
Lease Expense - Office	0.34	0.33	0.33	0.32	0.44	0.12
Consulting Services	0.36	0.49	0.10	0.40	0.74	0.34
Translation Services	0.00	0.00	0.00	0.00	0.00	0.00
Advertising and Promotion	0.04	0.00	0.03	0.00	0.00	0.00
General Office	0.62	0.80	0.63	0.90	0.85	(0.05)
Depreciation & Amortization	0.11	0.10	0.10	0.10	0.20	0.09
Printing	0.01	0.06	0.01	0.00	0.02	0.01
Shipping & Postage	0.00	0.11	0.01	0.00	0.02	0.02
Interest	0.09	0.15	0.17	0.24	0.11	(0.13)
Other/ Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total G &amp; A Expenses</b>	<b>15.26</b>	<b>15.63</b>	<b>15.21</b>	<b>16.35</b>	<b>17.85</b>	<b>1.50</b>
<b>Total Operating Gain / (Loss)</b>	<b>48.98</b>	<b>21.82</b>	<b>9.36</b>	<b>6.65</b>	<b>6.29</b>	<b>0.36</b>
<b>Non Operating:</b>						
Revenues - Interest	0.71	0.75	0.76	0.76	0.51	0.25
Expenses - Interest	0.02	0.02	0.03	0.02	0.01	(0.01)
<b>Total Non-Operating</b>	<b>0.69</b>	<b>0.73</b>	<b>0.73</b>	<b>0.74</b>	<b>0.50</b>	<b>0.24</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>49.68</b>	<b>22.56</b>	<b>10.09</b>	<b>7.38</b>	<b>6.78</b>	<b>0.60</b>

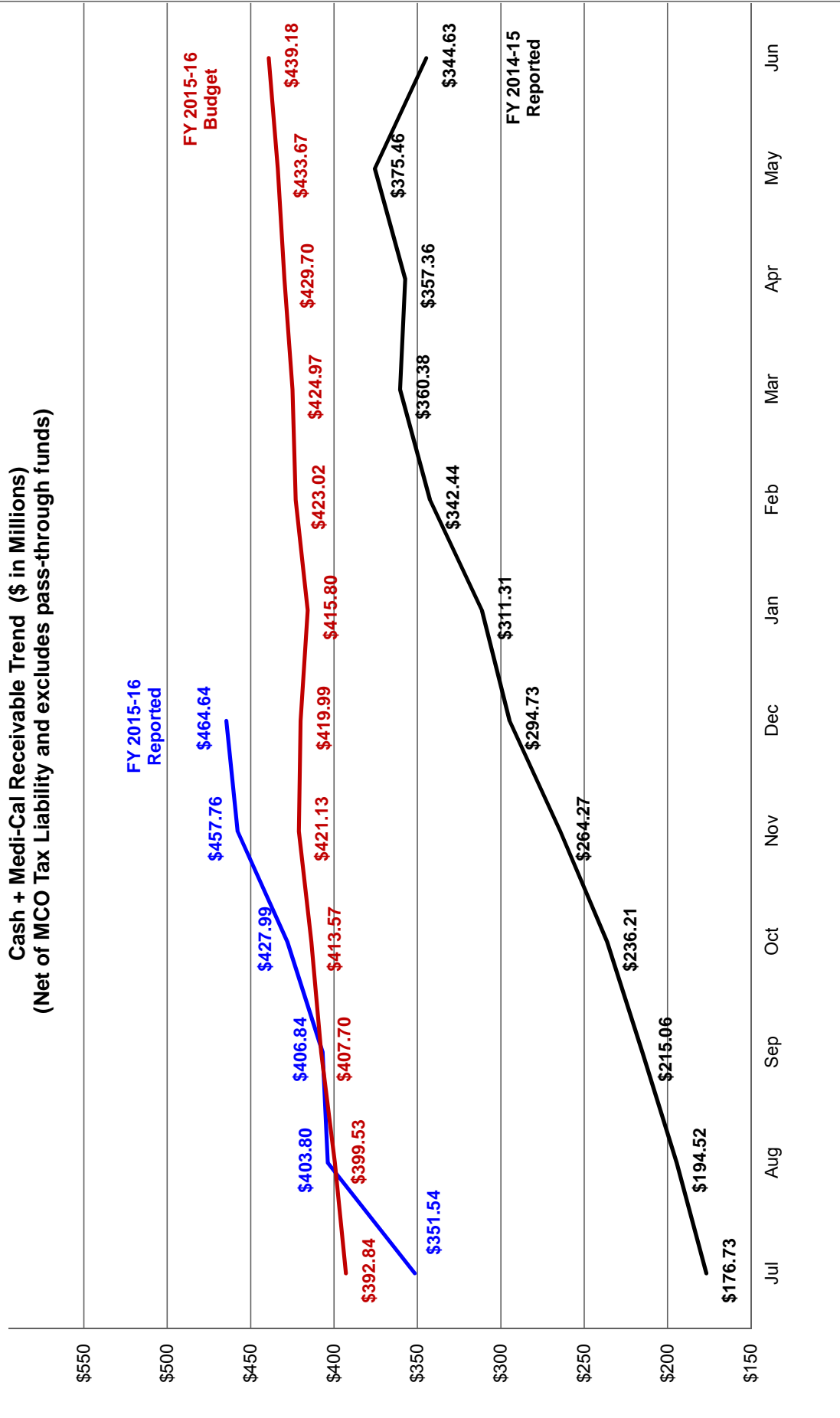
## STATEMENT OF CASH FLOWS - FYTD

	<b>DEC 15</b>
Cash Flow From Operating Activities	
Collected Premium	\$ 496,891,402
Miscellaneous Income	680,753
State Pass Through Funds	49,083,609
<u>Paid Claims</u>	
Medical & Hospital Expenses	(186,411,032)
Pharmacy	(48,293,787)
Capitation	(58,656,170)
Reinsurance of Claims	(1,671,800)
State Pass Through Funds Distributed	(27,995,630)
Paid Administration	(24,188,915)
MCO Taxes Received / (Paid)	(18,758,887)
Net Cash Provided / (Used) by Operating Activities	<b>180,679,541</b>
Cash Flow From Investing / Financing Activities	
Net Acquisition / Proceeds from Investments	(50,111,831)
Net Discount / Premium Amortization of Investments	111,831
Net Acquisition of Property / Equipment	(60,229)
Net Cash Provided / (Used) by Investing / Financing	<b>(50,060,229)</b>
<b>Net Cash Flow</b>	<b>\$ 130,619,312</b>
Cash and Cash Equivalents (Beg. of Period)	57,218,141
Cash and Cash Equivalents (End of Period)	187,837,453
	<b>\$ 130,619,312</b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income / (Loss)	24,285,190
Depreciation & Amortization	208,533
Net Discount / Premium Amortization of Investments	(111,831)
Decrease / (Increase) in Receivables	68,545,336
Decrease / (Increase) in Prepaids & Other Current Assets	(823,057)
(Decrease) / Increase in Payables	102,811,814
(Decrease) / Increase in Other Liabilities	(9,715,007)
Change in MCO Tax Liability	180,370
Changes in Claims and Capitation Payable	(11,107,644)
Changes in IBNR	6,405,838
	<b>180,679,541</b>
<b>Net Cash Flow from Operating Activities</b>	<b>\$ 180,679,541</b>

## STATEMENT OF CASH FLOWS - MONTHLY

	DEC 15	NOV 15	OCT 15
Cash Flow From Operating Activities			
Collected Premium	\$ 67,706,561	\$ 76,117,540	\$ 75,884,536
Miscellaneous Income	116,280	113,988	137,805
State Pass Through Funds	1,852,286	1,796,588	17,612,139
<u>Paid Claims</u>			
Medical & Hospital Expenses	(40,122,381)	(25,481,591)	(28,454,257)
Pharmacy	(8,510,048)	(8,587,538)	(8,251,177)
Capitation	(9,971,024)	(7,839,138)	(7,599,163)
Reinsurance of Claims	(287,084)	(284,242)	(278,965)
State Pass Through Funds Distributed	(1,779,287)	(1,725,782)	(15,888,984)
Paid Administration	(5,092,623)	(1,909,868)	(6,161,977)
MCO Tax Received / (Paid)	(3,067,869)	(3,681,432)	(2,866,610)
Net Cash Provided / (Used) by Operating Activities	<b>844,813</b>	<b>28,518,525</b>	<b>24,133,346</b>
Cash Flow From Investing / Financing Activities			
Net Acquisition / Proceeds from Investments	44,961,978	(38,347)	(10,984)
Net Discount / Premium Amortization of Investments	38,022	38,347	10,984
Net Acquisition of Property / Equipment	(14,601)	(9,168)	(12,139)
Net Cash Provided / (Used) by Investing / Financing	<b>44,985,399</b>	<b>(9,168)</b>	<b>(12,139)</b>
<b>Net Cash Flow</b>	<b>\$ 45,830,212</b>	<b>\$ 28,509,357</b>	<b>\$ 24,121,207</b>
Cash and Cash Equivalents (Beg. of Period)	142,007,241	113,497,885	89,376,678
Cash and Cash Equivalents (End of Period)	187,837,453	142,007,241	113,497,885
	<b>\$ 45,830,212</b>	<b>\$ 28,509,357</b>	<b>\$ 24,121,207</b>
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	1,504,740	2,022,803	4,469,265
Net Discount / Premium Amortization of Investments	(38,022)	(38,347)	(10,984)
Depreciation & Amortization	34,927	34,927	34,927
Decrease / (Increase) in Receivables	(89,400)	525,735	2,202,780
Decrease / (Increase) in Prepays & Other Current As:	2,327	(253,289)	334,251
(Decrease) / Increase in Payables	6,186,151	96,636,709	(2,599,318)
(Decrease) / Increase in Other Liabilities	(1,099,649)	(75,815,757)	18,498,952
Change in MCO Tax Liability	(300,412)	(619,960)	695,203
Changes in Claims and Capitation Payable	(3,674,522)	1,043,296	6,487,426
Changes in IBNR	(1,681,327)	4,982,409	(5,979,156)
	<b>844,813</b>	<b>28,518,525</b>	<b>24,133,346</b>
<b>Net Cash Flow from Operating Activities</b>	<b>844,813</b>	<b>28,518,525</b>	<b>24,133,346</b>

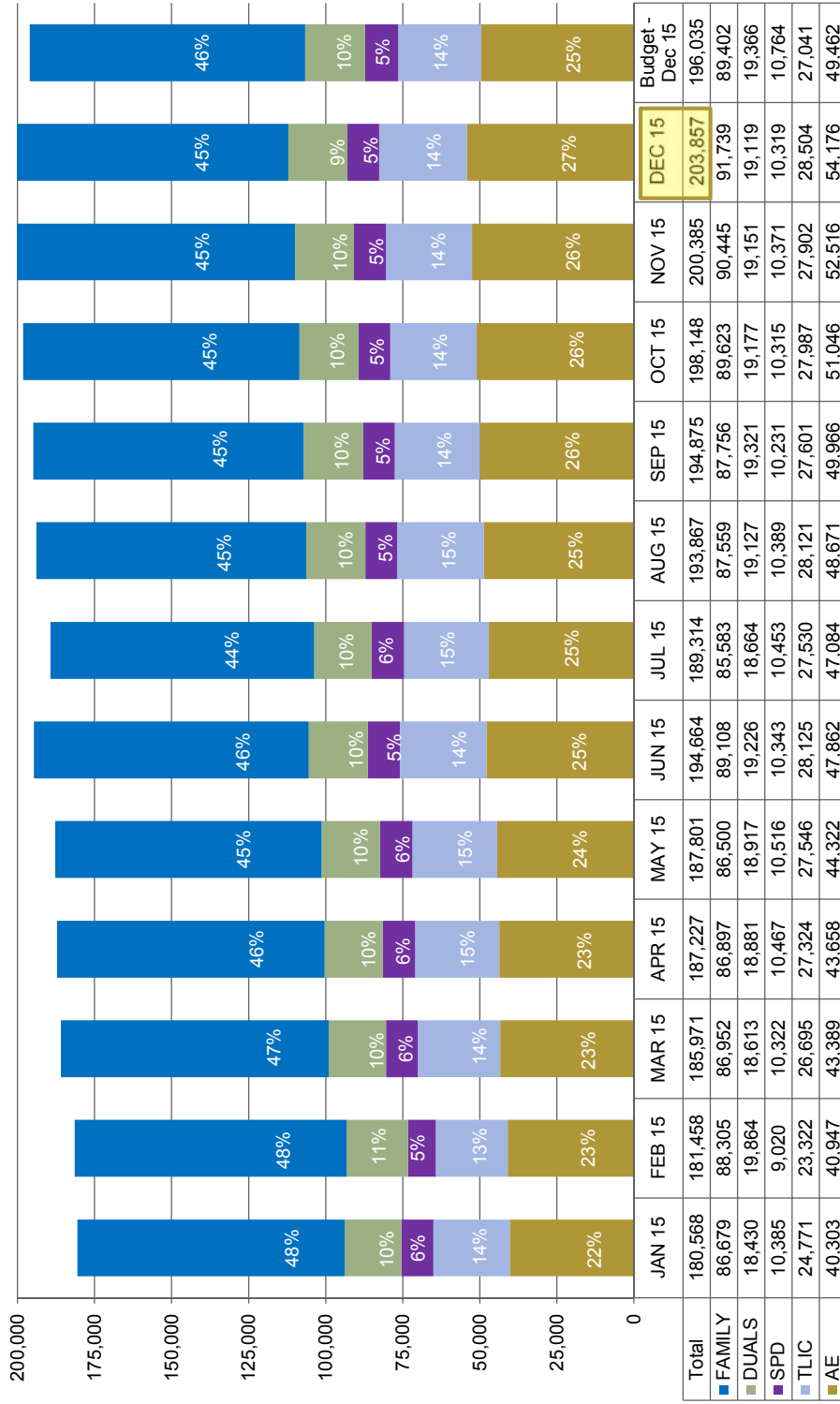
**GOLD COAST HEALTH PLAN  
DECEMBER 2015**





**GOLD COAST HEALTH PLAN**

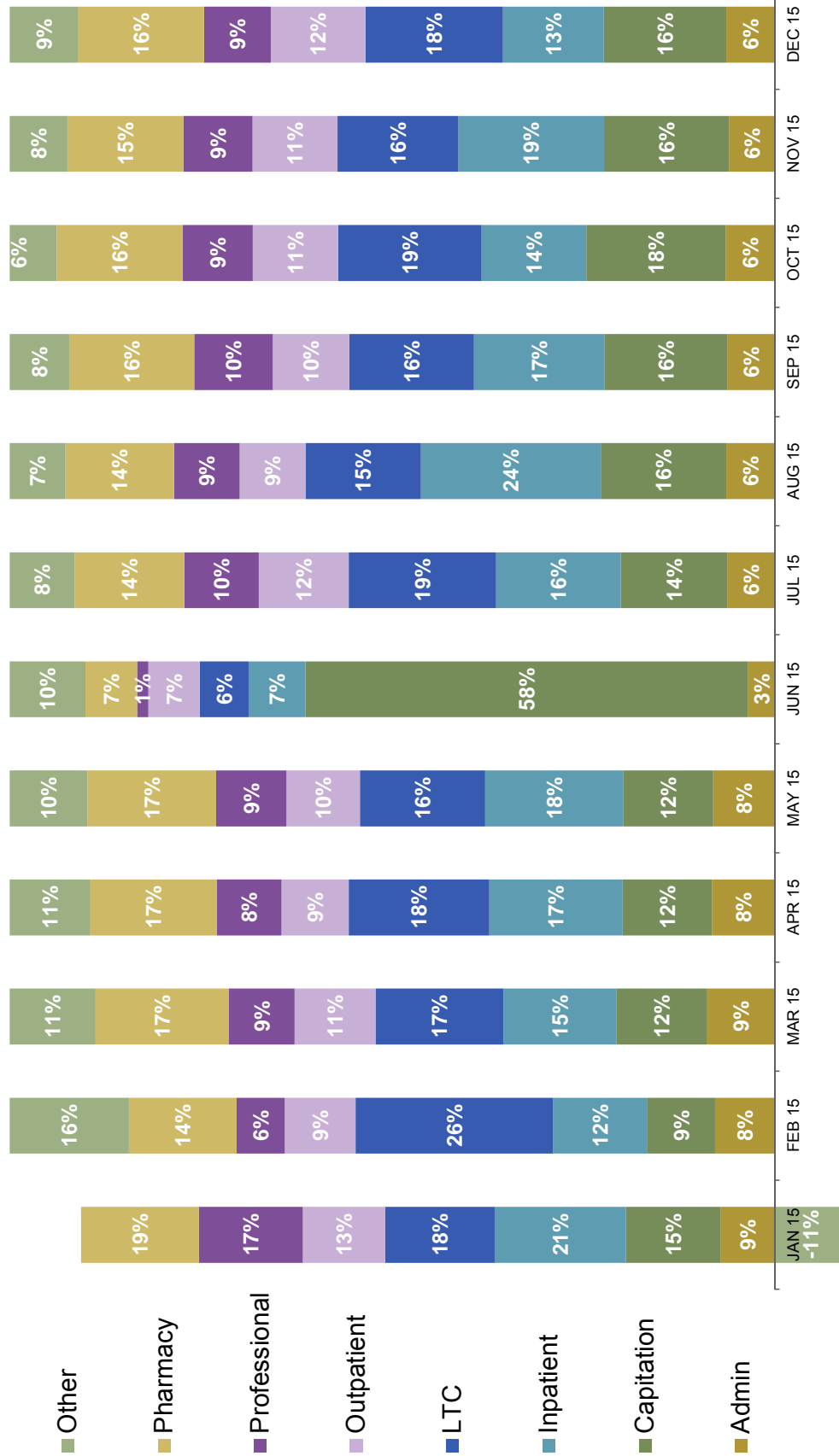
**Membership - Rolling 12 Month**



**SPD = Seniors and Persons with Disabilities    TLIC = Targeted Low Income Children    AE = Adult Expansion**

# GOLD COAST HEALTH PLAN

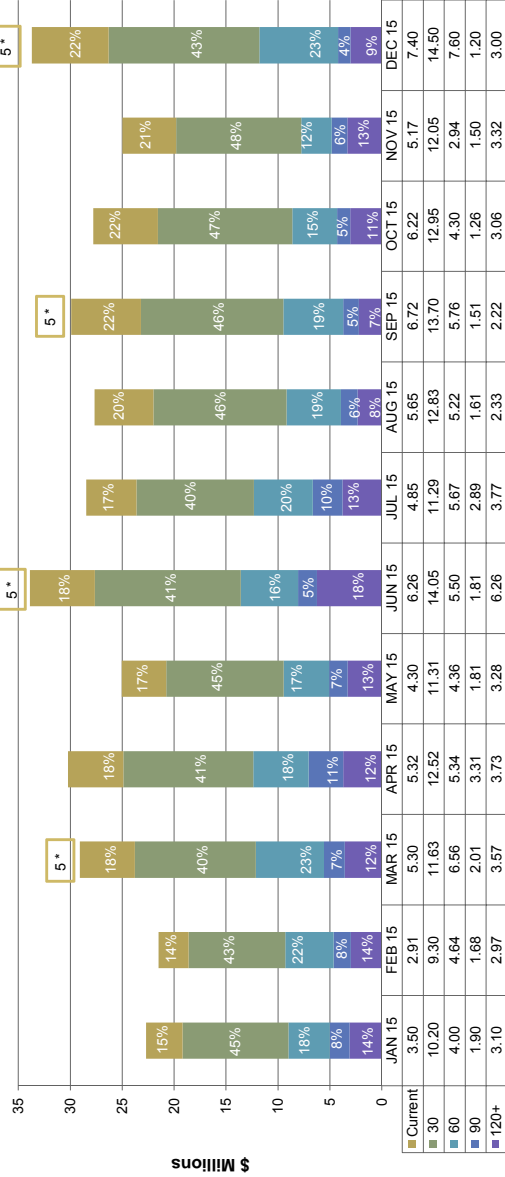
## Total Expense Composition



Note: January 15 reflects an adjustment to Adult Expansion reserve resulting in a reduction to IBNR.  
 June 15 reflects the Enhanced Adult Capitation program and reclassification of fee-for-service expense to capitation expense.

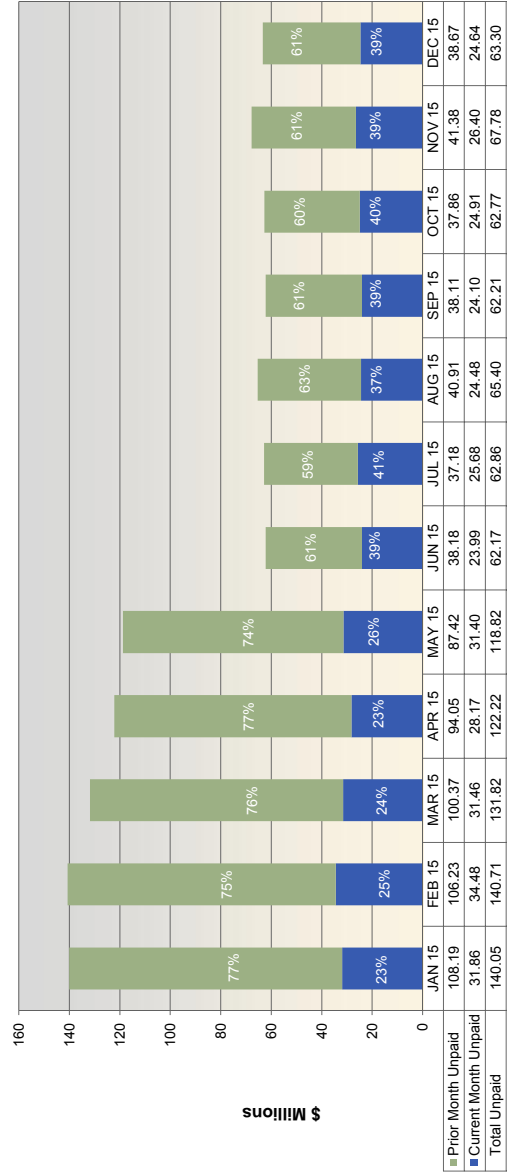
GOLD COAST HEALTH PLAN  
DECEMBER 2015

Paid Claims Composition (excluding Pharmacy and Capitation Payments)



Note: Paid Claims Composition - reflects adjusted medical claims payment lag schedule. Months indicated with 5\* represent months for which there were 5 claim payments. For all other months, 4 claim payments were made.

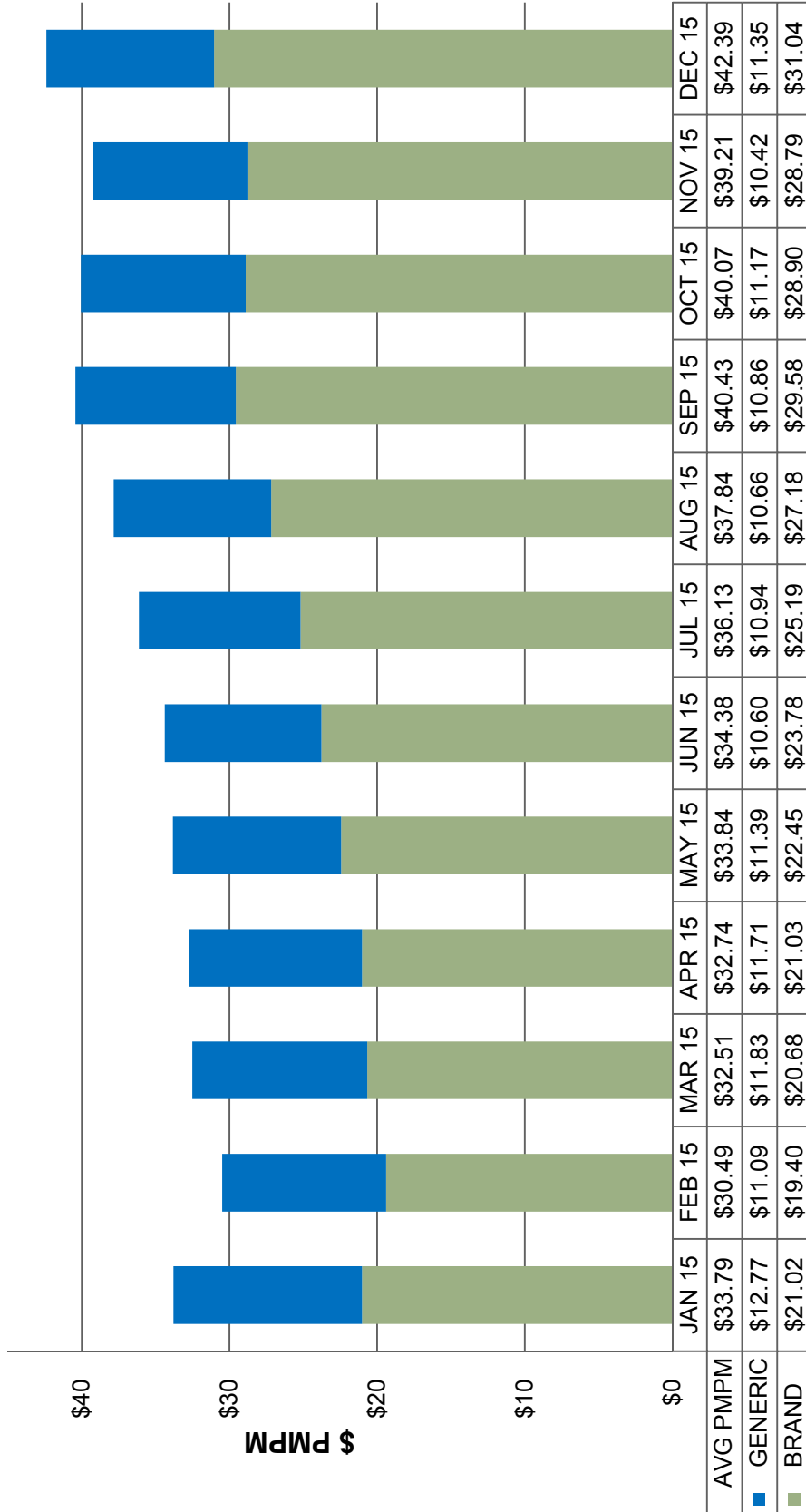
IBNP Composition (excluding Pharmacy and Capitation)



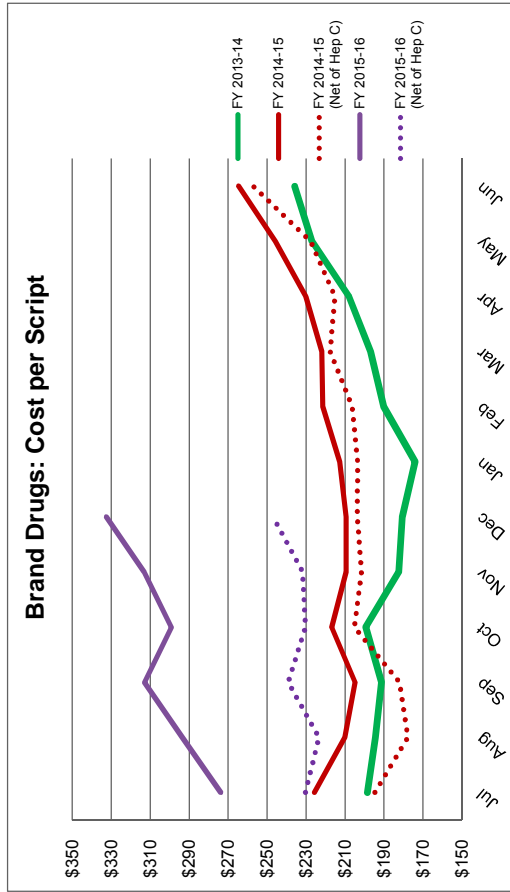
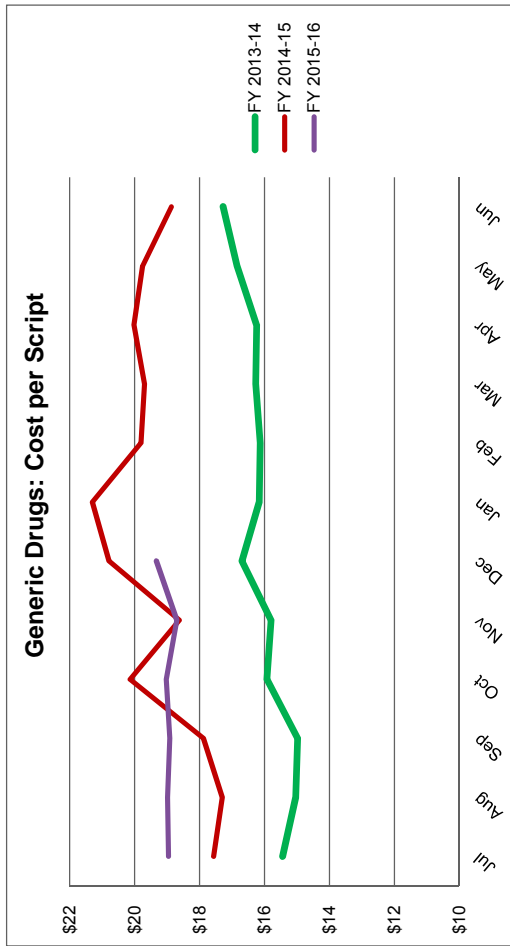
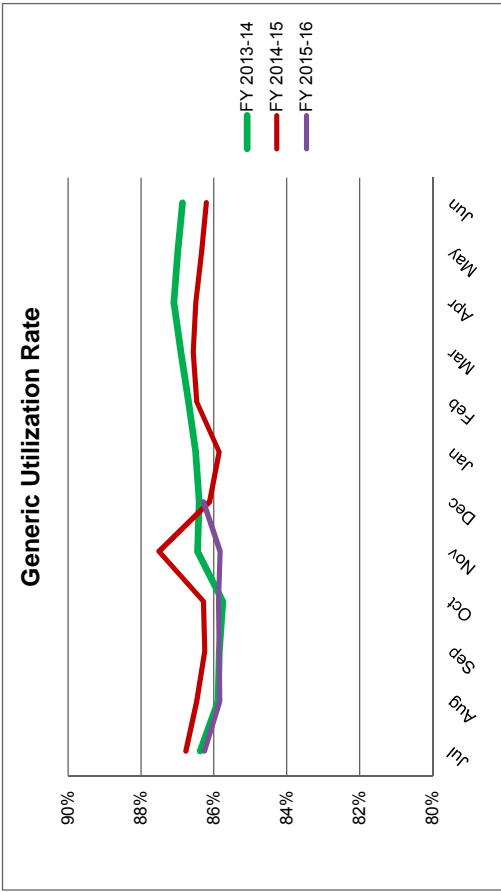
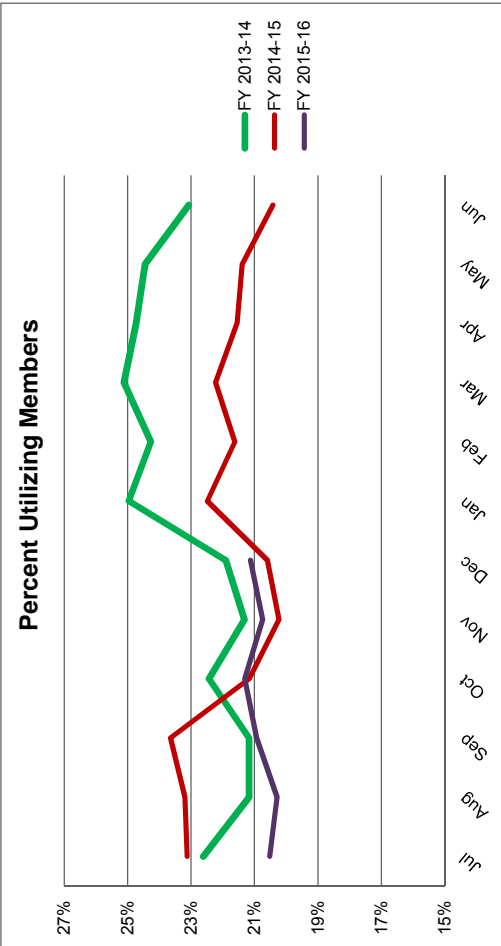
Note: IBNP Composition - reflects updated medical cost reserve calculation plus total system claims payable. June 2015 - reflects the Enhanced Adult Capitation program and reclassification of fee-for-service expense to capitation expense.

# GOLD COAST HEALTH PLAN

Pharmacy Cost Trend



**GOLD COAST HEALTH PLAN  
PHARMACY ANALYSIS**





### **AGENDA ITEM NO. 3**

**To:** Gold Coast Health Plan Executive / Finance Committee  
**From:** Kim Osajda, RN, MSN, Director Quality Improvement  
**Date:** February 11, 2016  
**RE:** Healthcare Effectiveness Data and Information Set (HEDIS) Vendor Request For Proposal (RFP) Award Recommendation

#### **SUMMARY:**

Gold Coast Health Plan (GCHP or the Plan) contracts with a HEDIS vendor in order to provide for the calculation and reporting of HEDIS measures. The contract with the current HEDIS vendor, Verisk Health, Inc., terminates on July 5, 2016. GCHP began an RFP process on October 2, 2015 to select a HEDIS vendor for the next contract term.

GCHP received responses from four (4) HEDIS vendors. The vendors were assessed for their ability to meet the RFP requirements, meet minimum qualifications, the quality of their responses, and ability to accept GCHP contract terms and pricing. Two finalists were selected and interviewed by Plan staff.

#### **BACKGROUND:**

Verisk Health, Inc. was selected as the HEDIS vendor for GCHP for an initial 3 year term. Verisk provides calculation and reporting of HEDIS measures as well as medical record retrieval and abstraction services for GCHP. In the best interest of the Plan, GCHP conducted an RFP process for HEDIS services to evaluate if the incumbent or a new HEDIS vendor would be the best business partner for GCHP moving forward.

For the past four months, GCHP has conducted a detailed and thorough selection process for a HEDIS vendor, with a potential implementation date of April 1, 2016, if a new vendor is selected.

#### **DISCUSSION:**

The Plan's goal is to select a HEDIS vendor that offers industry best practices, is knowledgeable in the landscape of Medicaid and can provide data to support clinical and quality initiatives to allow GCHP to further realize positive member health outcomes while maintaining fiscal responsibility.

In September, 2015, a cross functional team that included GCHP’s Chief Medical Officer, the Director of Quality Improvement, the Quality Improvement Project Manager together with participation from Procurement, and Information Technology was formed to develop a strategy to proactively manage the current HEDIS vendor contract expiration date of July 5, 2016. The team agreed on a formal go-to-market strategy and issued a formal RFP on October 2, 2015 to five (5) NCQA Certified vendors.

The Plan received four (4) responsive proposals and using a fact based weighted evaluation matrix scored each proposal. Using the overall highest scores, the Plan developed a short list of vendors to pursue further due diligence and negotiation discussions. The plan is recommending awarding this procurement to one of the short listed vendors based on fair market competition.

**FISCAL IMPACT:**

An analysis of the pricing indicates that GCHP will be able to realize a significant savings over the term of the contract.

**RECOMMENDATION:**

The Plan will be bringing a recommendation regarding the contract award to the Commission on February 22, 2016. It is the Plan’s expectation to move forward with this contract and to implement HEDIS services beginning April 1, 2016.

<b>Approved:</b>		
<b>Continued:</b>		
<b>Denied:</b>		



## **AGENDA ITEM NO. 4**

To: Gold Coast Health Plan Executive / Finance Committee  
From: Anne Freese, PharmD, Director of Pharmacy  
Date: February 11, 2016  
RE: PBM RFP Update

### **SUMMARY:**

Gold Coast Health Plan (GCHP or the Plan) contracts with a Pharmacy Benefits Manager (PBM) in order to provide pharmacy benefit services to its members. The contract with the current PBM, Script Care LTD. (SCL), terminates on September 30, 2016. GCHP began an RFP process on November 6, 2015 to select a PBM for the next contract term.

At this time, Plan staff is providing an update on the current status and the intent is to award the RFP after a final vote of the recommended finalist at the commission meeting on February 22, 2016.

### **BACKGROUND:**

SCL was selected as the PBM for GCHP in 2010 for an initial 5 year term beginning on the plan go live date. SCL provides a full suite of PBM services including prescription claim adjudication, pharmacy network access, and utilization management (UM) services for GCHP. In the best interest of the Plan, GCHP conducted an RFP process to select the best business partner moving forward.

For the past four months, GCHP has conducted a detailed and thorough selection process for a PBM, with a potential implementation date of October 1, 2016, if a new PBM is selected.

### **DISCUSSION:**

The Plan's goal is to select a PBM that shares GCHP's philosophy and will work collaboratively to continuously improve our members' customer service experience, health status and cost-effective solutions related to pharmacy benefits. Further, GCHP is seeking a PBM with industry best practices, is knowledgeable in the landscape of Medicaid and Medicare pharmacy benefits, and has the clinical and quality initiatives to allow GCHP to further realize positive member health outcomes while maintaining fiscal responsibility.



GCHP's Chief Medical Officer, Assistant Chief Medical Officer and Director of Pharmacy made up the core selection team and subject matter expertise was provided from all of the following departments: compliance, finance, information technology, information security and operations.

The selection team, through the RFP process, identified three finalists. All three finalists were brought in for interviews with the selection team. Based upon the interviews and their RFP responses, the 3 finalists were given one final opportunity to review their bids and provide a best and final offer (BAFO).

Each vendor was assessed in 3 major areas: technical questions, contract terms and conditions and statement of work review, and pricing. The technical questions were divided into 14 sections.

Anne Freese will provide a presentation at the full commission meeting on February 22, 2016 discussing the rankings of each finalist for all sections assessed and ask for a vote of the Commission at that time on the recommended finalist.

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

None.