



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

Executive Conference Room at Gold Coast Health Plan
711 E. Daily Drive, Suite 106, Camarillo, CA 93010
**Thursday, July 9, 2015
3:00 PM**

AGENDA

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT Comments are limited to three (3) minutes. Those wishing to comment must complete and submit a Speaker Card to the Clerk of the Board.

- **Public Comment** – Comments regarding items not on the agenda but within the subject matter jurisdiction of the Committee.
- **Agenda Item Comment** – Comments within the subject matter jurisdiction of the Committee pertaining to a specific item on the agenda. The speaker is recognized and introduced by the Committee Chair during Committee's consideration of the item.

1. APPROVE MINUTES

- a. June 4, 2015 Regular Executive / Finance Meeting Minutes

2. ACCEPT AND FILE ITEMS

- a. CEO Update
- b. CFO Update - May 2015 Financials

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

ADMINISTRATIVE REPORTS RELATING TO THIS AGENDA AND MATERIALS RELATED TO AN AGENDA ITEM SUBMITTED TO THE COMMITTEE AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC REVIEW DURING NORMAL BUSINESS HOURS AT THE OFFICE OF THE CLERK OF THE BOARD, 711 E. DAILY DRIVE, SUITE #106, CAMARILLO, CA.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT (805) 437-5509. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.



**Ventura County Medi-Cal Managed Care Commission (VCMCC) dba Gold Coast Health Plan (GCHP)
July 9, 2015 Executive / Finance Committee Meeting Agenda (continued)**

LOCATION: Executive Conference Room, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010

TIME: 3:00 PM

PAGE: 2 of 2

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

Unless otherwise determined by the Committee, the next regular meeting of the Committee will be held on August 6, 2015 in the Executive Conference Room, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010

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

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

June 4, 2015

(Not official until approved)

CALL TO ORDER

Chair Araujo called the meeting to order at 3:05 p.m. in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

ROLL CALL

COMMITTEE MEMBERS PRESENT

Antonio Alatorre, Clinicas del Camino Real, Inc.

David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program

Gagan Pawar, MD, Clinicas del Camino Real, Inc.

Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMITTEE MEMBERS

David Glycer, Private Hospitals / Healthcare System

STAFF IN ATTENDANCE

Dale Villani, Chief Executive Officer

Lyndon Turner, Financial Analysis Director

Traci R. McGinley, Clerk of the Board

Scott Campbell, Legal Counsel

Stacy Diaz, Human Resources Director

William Freeman, Network Operations Director

Steven Lalich, Communications Director

Allen Maithel, Controller

Al Reeves, MD, Chief Medical Officer

Melissa Scrymgeour, Chief Information Officer

Ruth Watson, Chief Operating Officer

The Members of the Executive / Finance Committee welcomed the new CEO, Dale Villani to the Plan.

PUBLIC COMMENTS

None.

1. APPROVE MINUTES

a. May 7, 2015 Regular Meeting Minutes

It was noted that the second paragraph of item 2b, *March Financials*, should read as follows:

Committee Member Alatorre asked about the ACA 1202 payments. Financial Analysis Director Turner explained that it had been accrued in prior months.

Committee Member Pupa moved to approve the May 7, 2015 Regular Meeting Minutes as amended. Committee Member Alatorre seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glycer.

2. APPROVAL ITEMS

The insurance items were presented next to accommodate the travel schedule of Beecher Carlson staff.

c. Executive Liability and Errors & Omissions Insurance

Blake Kirk of Beecher Carlson reviewed the quotes for FY 2015-16 the Executive Liability and Managed Care Errors & Omissions (E&O) Insurance with the Committee. He explained that there was a slight increase in costs which was expected due to the tightening insurance market and continued claims activity on the current policies. A non-renewal notice was received from the current carrier for the Managed Care E&O Program.

Two bids were received for the Managed Care E&O program with the recommendation to contract with AIG Lexington at an annual premium of \$64,453 with terms that matched last year's carrier. Argo / AIG rebid the Executive Liability Program with an annual premium of \$253,000.

Chair Araujo asked what the taxes and fees would be on the AIG / Lexington policy; he was advised that as a non-admitted insurance company doing business in California the taxes are typically 3% and the fees \$25.

Committee Member Alatorre moved to approve AIG / Argo for the Executive Liability policy and the AIG / Lexington for the Managed Care Errors & Omissions policy. Committee Member Pupa seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Pawar and Pupa.
NAY: None.
ABSTAIN: None.

ABSENT: Glycer.

b. Reinsurance Contract

Blake Kirk of Beecher Carlson reviewed the quotes, briefly discussed the claim history and explained that OneBeacon had been GCHP's carrier from 2011-2013, but had experienced an aggregate claims loss against claims paid during that period. OneBeacon quoted for FY 2015-16, but at a much higher premium rate.

Blake Kirk of Beecher Carlson explained that GCHP has had traditional insurance to date; but costs have gotten quite high so Beecher Carlson was recommending the Plan consider an Aggregating Specific Deductible (ASD) policy from StarLine. GCHP would pay a portion of the total premium, approximately \$1.47 per-member per-month (pmpm) or \$3 million and holdback \$2 million or \$0.96 pmpm in a reserve account. As each claim exceeds the \$650,000 deductible GCHP would allocate that expense out of that \$0.96 reserve fund and when or if that fund is exhausted the carrier picks up everything above that. However, if it isn't exhausted GCHP would keep what was remaining in the fund. He added that Beecher Carlson also negotiated an experience refund on the pay rate with 40% back on the 70%.

Discussion was also held regarding an organization called Advocate Strategies which works with a lot of plans around transplants; their network typically includes USC, Cedars-Sinai or City of Hope. GCHP would benefit contracting with Advocate Strategies because they typically get better pricing due to volume.

Blake Kirk noted that Beecher Carlson recommended GCHP go with StarLine because their price was competitive, have been in business longer than the others, are A rated, have good claim turn-around and very good underwriting programs. StarLine also has the most liberal experience refund on the pay rate; they offer a claim run-in, the policy is 12 months, and each year GCHP were to renew the policy, it can carry forward the month of June into the next policy year on any claim for any member that has not yet reached the deductible. He did add that StarLine would have the option to re-rate GCHP should membership increase more than 25% above the projected growth of 205,000-210,000.

CEO Villani and COO Watson expressed agreement with the Beecher Carlson's recommendation.

Discussion was held regarding the fact that the Commission Meeting is just days before the effective date of the policy. Blake Kirk explained that the carrier will prepare the binder contingent upon final approval by the Commission as long as the Executive / Finance Committee recommends approval.

Committee Member Alatorre moved to approve the StarLine ASD proposal. Committee Member Pupa seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Pawar and Pupa.

NAY: None.

ABSTAIN: None.
ABSENT: Glyer

a. FY 2015-16 Operating and Capital Budget

COO Watson noted that changes were made to the budget based on feedback from the Executive / Finance Committee and the Commission. She also advised the Committee that it was highly likely that legislation will be passed which will require the Plan to obtain a Knox Keene license therefore funds will need to be budgeted for that process.

Financial Analysis Director Turner highlighted that membership and revenue was been updated based on additional information from the State. Most of the growth is anticipated in the Adult Expansion (AE) population. Revenue is anticipated to increase 35% over last year due to enhanced membership. Other minor changes include a new category for the Quality Initiatives or Pay-for-Performance program, pharmacy costs have been slightly increased and mental health has been adjusted downward due to a change in experience and Applied Behavior Analysis (ABA) costs have been added into the budget at approximately \$164,000 per month beginning in September.

Committee Member Pupa suggested that information be provided to the Commission regarding the medical and non-medical staff being added and the reasons for those additions. COO Watson noted that a majority of the medical staff is driven by increased membership.

Chair Araujo asked about the increased insurance costs. Discussion was held regarding the changes needed to reflect the premium and liability fund for the premium hold back.

Committee Member Alatorre moved to approve the FY 2015-16 Operating and Capital Budget. Committee Member Pupa seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glyer.

3. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Villani requested COO Watson provide the Update. COO Watson reviewed the information with the Committee. The Enhanced Capitation for Services provided to GCHP's Adult Expansion (AE) Population Program was reviewed in detail.

Chair Araujo recommended that the program information note that it is for services after January 1, 2014. Committee Member Alatorre asked if the program had gone before the State. COO Watson stated that it had not, but that it was based on a program in place by another plan. Legal Counsel Campbell added that it is also based on an Attorney General opinion.

b. March Financials

Financial Analysis Director Turner briefly reviewed the financials. He explained that the Plan continues to add to the Tangible Net Equity (TNE), currently at approximately \$101.7 million.

Committee Member Alatorre asked about the enhanced capitation reimbursement. COO Watson explained that it is not in the financials for this fiscal year but is budgeted for next fiscal year.

Chairman Araujo moved to accept and file the CEO Update and the March Financials. Committee Member Pupa seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Pawar and Pupa.
NAY: None.
ABSTAIN: None.
ABSENT: Glyer

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

Meeting adjourned at 4:42 p.m.



AGENDA ITEM 2.b.

TO: Gold Coast Health Plan Commission
FROM: Lyndon Turner, Financial Analysis Director
DATE: July 9, 2015
RE: CFO Update - May 2015 Financials

SUMMARY:

Staff is presenting the attached May 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 May 2015 financial package, including statement of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

FISCAL IMPACT:

Highlights of Year-To-Date Financial Results:

On a year-to-date basis through May, the Plan's gain in unrestricted net asset was approximately \$69.1 million compared to the \$15.2 million budget. These operating results contributed to a Tangible Net Equity (TNE) level of approximately \$108.9 million, which exceeded both the budget of \$47.5 million by \$61.4 million and the State minimum required TNE amount of \$22.2 million by \$86.7 million. As in prior reports, the Plan's TNE amount includes \$7.2 million County of Ventura lines of credit (LOC). The May TNE was 490% of the State required TNE, and 10% below the average 6 County Organized Health Systems of 500%.

Highlights of May Financial Results:

Membership – May membership of 187,801 increased by 574 over the prior month, and

exceeded budget by 22,498 members. The majority of the growth was in the Adult Expansion (AE) category, accounting for approximately 68% of the positive variance in membership.

Revenue – May net revenue was \$44.5 million or \$7.4 million below the budgeted amount of \$51.9 million. The variance was primarily due to a \$13.7 million revenue reduction related to the AE claims reserve reduction mentioned below. The revenue reduction was necessary to maintain a medical loss ratio (MLR) of 85% for this aid group. On a Per-Member Per-Month (PMPM) basis, net premium revenue was \$237.15, or \$77.10 under the budget of \$314.26.

Health Care Costs – May health care costs were \$34.5 million or \$13.0 million below budget. On a PMPM basis, reported health care cost for May was \$183.68 compared to a budgeted amount of \$287.16. The positive variance was largely due to the release of certain claims reserves connected to the Adult Expansion population. Other highlights include:

- Capitation – Higher than budget by \$1.6 million, due to higher than anticipated members being covered by capitated providers and a recent increase in provider rates. Also included were Adult Expansion members (565 in May 2015) recently designated as covered by the Kaiser capitation agreement, but not contemplated in the FY 2014-15 budget.
- Fee for Service – All Fee for Service in aggregate was \$28.5 million which was \$14.8 million better than budget of \$43.3 million. Excluding the AE population, most categories of service experienced lower than budget variance with the exception of Outpatient and Emergency Room. As a group, net Fee for Service claims for the traditional populations were better than budget by \$1.7 million.
- LTC / SNF – New AB 1629 rates were published by the Department of Health Care Services (DHCS) in late January. However, a later announcement by DHCS indicated that the rates contained errors and delayed final processing until the rates were corrected. Plan continues to accrue an estimated increase, and the final payment is now expected at the end of June.
- Pharmacy – Lower than expected utilization in the AE category, again contributed to savings of approximately \$3.8 million. However, AE Pharmacy costs were somewhat higher in May. On a PMPM basis, May AE Pharmacy was \$56.31 compared to \$50.62 in April. We anticipate continued positive variance versus budget for the AE population.
- Adult Expansion Reserve – Approximately \$1.1 million related to June 2014 services was released pursuant to the planned Incurred But Not Paid (IBNP) alignment methodology disclosed in prior months. Additional reserves of \$8.2 million were released or avoided by continued step-wise reduction of book-to-budget rates. The release and avoidance of these reserves affected most categories of service.

In January 2015 the Plan initiated a prudent and measured convergence strategy which will gradually move AE claims reserves from the State rate methodology (85% of capitation

revenue) to the traditional Incurred But Not Reported (IBNR) model. A proxy of similar Aid categories was used for the AE population to develop model completion factors. These modeled completion factor percentages were applied to AE claims data as an alternate method of claims development. Based on this analysis claims aged one year or more were deemed complete or nearly complete and excess reserves were released. In addition, the budget rates for the near months (less than one year old) will be systematically reduced to avoid adding new reserves while maintaining the 85% MLR.

Administrative Expenses - For the month of May, overall operational costs were \$3.0 million or \$75,000 over budget. Higher than budgeted legal fees and outside services were offset by positive variance due to lower personnel and related personnel expenses. The following were the primary contributors to the large variances:

- Outside Services (ACS / Xerox and Beacon Health Strategies) – over budget by \$100,000 due to expanded membership.
- Legal Fees – over budget by \$35,000 due to continued legal services and ongoing services associated with the investigation being overseen by the Special Investigation Ad Hoc Committee. Year to date legal expenses of \$2.34 million exceeded the budget by \$2.0 million.
- General Office –over budget by \$30,000 due to expenses related to recruitment and equipment for new hires.

Cash + Medi-Cal Receivable – The total of Cash and Medi-Cal Premium Receivable balances of \$377.1 million reported as of May 31, 2015. This total includes pass-through payments for AB 85 of \$5.4 million. Excluding the impact of the pass through amount, the total of Cash and Medi-Cal Receivable balance as of May 31, 2015 was \$372.0 million or \$207.0 million better than the budgeted level of \$164.5 million.

Investment Portfolio – No new securities transactions were initiated during the month. As of May 31, 2015, the value the investments are as follows:

- Short-term Investments \$205.0 million: Cal Trust \$75.0 million; Ventura County Investment Pool \$80.0 million; Commercial paper and bonds \$50.0 million.
- Long-term Investments (Bonds) \$25.0 million.

RECOMMENDATION:

Staff requests that the Executive / Finance Committee recommend approval of the May 2015 financial package to the Commission.

CONCURRENCE:

N/A

Attachments:

May 2015 Financials



FINANCIAL PACKAGE

For the month ended May 31, 2015

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Financial Overview
Membership
Statement of Financial Positions
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YTD Statement of Revenues, Expenses and Changes in Net Assets
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YTD Cash Flow

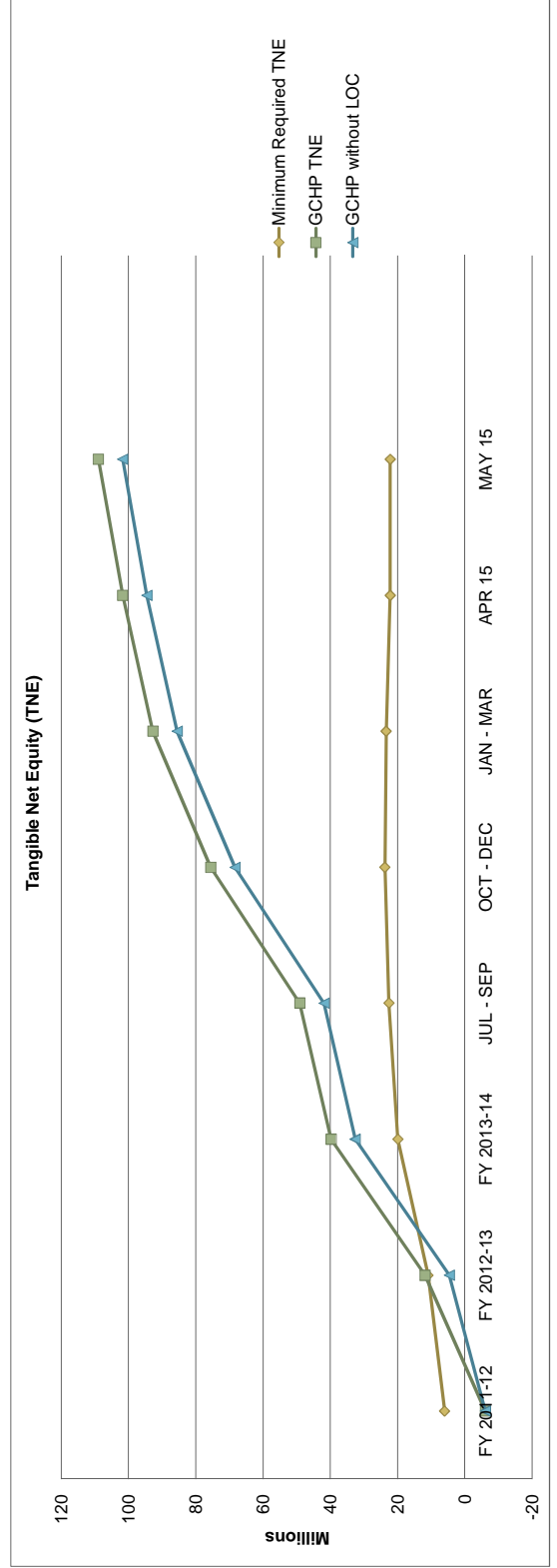
APPENDIX

Cash Trend Combined
Paid Claims and IBNP Composition
Total Expense Composition
Pharmacy Cost & Utilization Trends

GOLD COAST HEALTH PLAN
Financial Results Summary

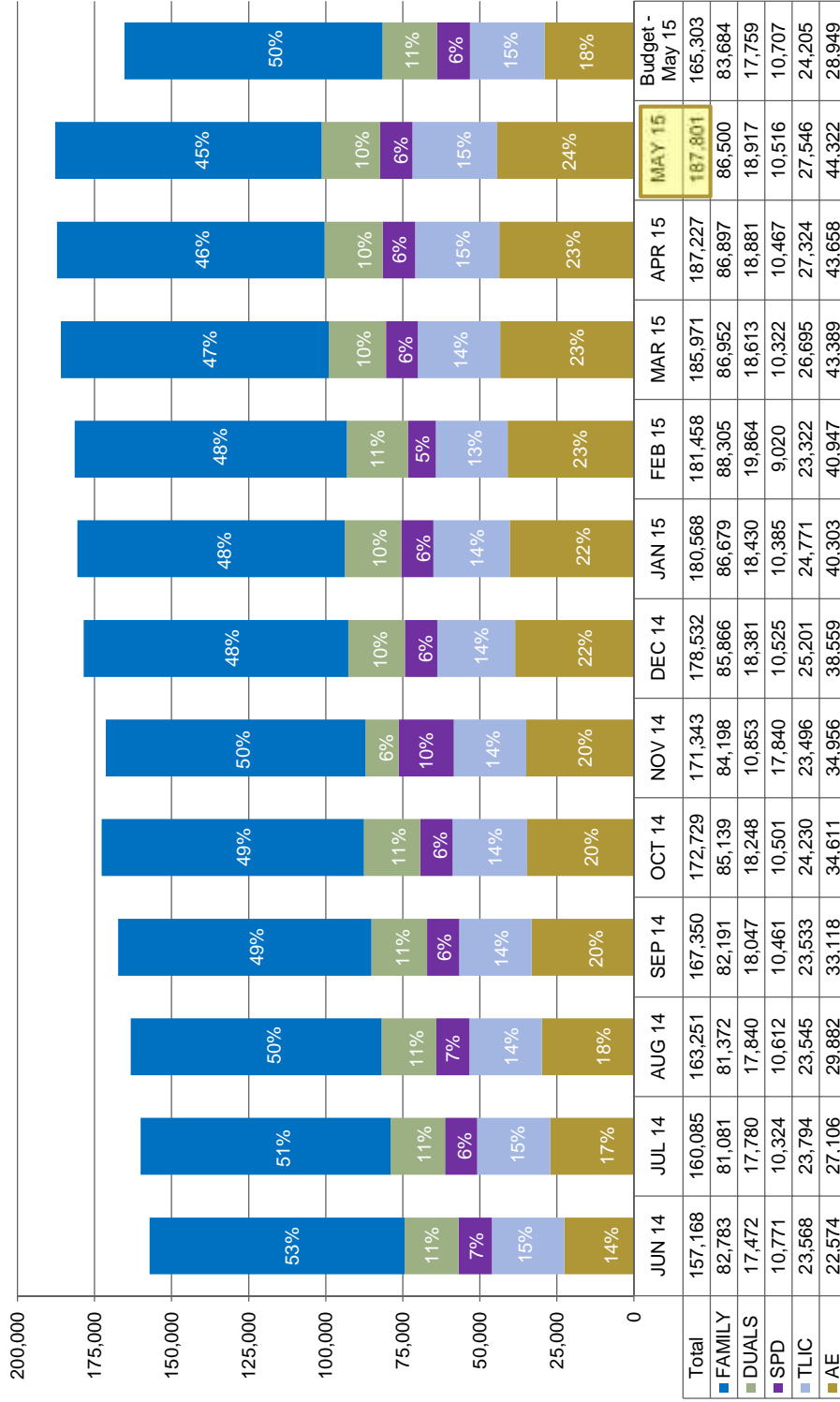
Description	AUDITED*		UNAUDITED	FY 2014-15					Budget Comparison		
	FY 2011-12	FY 2012-13	FY 2013-14	JUL - SEP	OCT - DEC	JAN - MAR	APR 15	MAY 15	Budget May 15	Variance Fav / (Unfav)	Variance Fav / (Unfav)%
Member Months	1,258,189	1,223,895	1,553,660	490,686	522,604	547,997	187,227	187,801	165,303	22,498	13.6 %
Revenue <i>pmpm</i>	304,635,932 242.12	315,119,611 257.47	423,995,809 272.90	158,761,380 323.55	142,036,566 271.79	123,095,167 224.63	46,117,588 246.32	44,688,649 237.96	52,003,666 314.60	(7,315,017) (76.64)	(14.1)% (24.4)%
Health Care Costs <i>pmpm</i> % of Revenue	287,353,672 228.39 94.3%	280,382,704 229.09 89.0%	369,321,385 237.71 87.1%	141,486,486 288.34 89.1%	106,577,061 203.93 75.0%	96,973,428 176.96 78.8%	34,081,837 182.03 73.9%	34,495,572 183.68 77.2%	47,468,554 287.16 91.3%	12,972,982 103.48 14.1%	27.3 % 36.0 % 15.4 %
Admin Exp <i>pmpm</i> % of Revenue	18,891,320 15.01 6.2%	24,013,927 19.62 7.6%	26,751,533 17.22 6.3%	7,994,304 16.29 5.0%	8,969,982 17.16 6.3%	8,943,041 16.32 7.3%	3,051,574 16.30 6.6%	3,019,621 16.08 6.8%	2,942,354 17.80 5.7%	(77,267) 1.72 (1.1)%	(2.6)% 9.7 % (19.4)%
Total Increase / (Decrease) in Unrestricted Net Assets <i>pmpm</i> % of Revenue	(1,609,063) (1.28) -0.5%	10,722,980 8.76 3.4%	27,922,891 17.97 6.6%	9,280,590 18.91 5.8%	26,489,523 50.69 18.6%	17,178,698 31.35 14.0%	8,984,176 47.99 19.5%	7,173,456 36.20 16.1%	1,592,758 9.64 3.1%	5,580,698 28.56 13.0%	350.4 % 296.4 % 424.1 %
YTD	16,769,368 36%	16,138,440 68%	19,964,221 100%	22,600,707 100%	23,789,982 100%	23,415,058 100%	22,201,719 100%	22,242,684 100%	26,409,624 100%	(4,166,940)	(15.8)%
Minimum Required TNE	6,036,972	10,974,139	19,964,221	22,600,707	23,789,982	23,415,058	22,201,719	22,242,684	26,409,624	(4,166,940)	(15.8)%
GCHP TNE	(6,031,881)	11,891,099	39,813,991	49,094,581	75,584,104	92,762,801	101,746,977	108,920,434	47,518,666	61,401,768	129.2 %
TNE Excess / (Deficiency)	(12,068,853)	916,960	19,849,770	26,493,874	51,794,122	69,347,744	79,545,259	86,677,750	21,109,042	65,568,708	310.6 %
% of Required TNE level		199%	199%	217%	318%	396%	458%	490%	180%		
% of Required TNE level (excluding \$7.2 million LOC)		163%	163%	185%	287%	365%	426%	457%	153%		

Note: TNE amount includes \$7.2 million related to the Lines of Credit (LOC) from Ventura County.
* Audited amounts reflect financial adjustments made by auditors, but exclude presentation reclassifications without P&L impact (i.e. reporting package kept the same).



GOLD COAST HEALTH PLAN

Membership - Rolling 12 Month



SPD = Seniors and Persons with Disabilities **TLIC = Targeted Low Income Children** **AE = Adult Expansion**
 Note: Beginning in Apr 14 actual membership reflects new Dual definition as implement by DHCS. Prior months have not been restated.

Statement of Financial Position

	05/31/15	04/30/15	Unaudited FY 2013-14
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	\$ 107,850,902	\$ 156,092,662	\$ 60,176,698
Total Short-Term Investments	205,076,483	205,047,085	0
Medi-Cal Receivable	64,200,793	3,591,487	114,632,056
Interest Receivable	287,272	204,622	0
Provider Receivable	591,258	585,800	395,129
Other Receivables	172,194	171,605	1,821,475
Total Accounts Receivable	65,251,517	4,553,514	116,848,660
Total Prepaid Accounts	823,387	1,006,954	994,278
Total Other Current Assets	81,702	81,702	81,719
Total Current Assets	379,083,991	366,781,916	178,101,355
Total Fixed Assets	1,086,020	1,089,289	1,163,269
Total Long-Term Investments	24,670,537	24,693,694	0
Total Assets	\$ 404,840,547	\$ 392,564,899	\$ 179,264,625
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurring But Not Reported	\$ 108,186,896	\$ 114,772,998	\$ 92,710,021
Claims Payable	14,281,478	11,070,028	9,482,660
Capitation Payable	6,923,232	6,352,189	2,054,265
Physician ACA 1202 Payable	11,160,498	11,160,498	12,765,516
AB 85 Payable	5,374,040	6,915,742	1,245,284
Accounts Payable	648,141	2,047,893	2,875,709
Accrued ACS	2,811,440	1,428,930	0
Accrued Expenses	1,139,852	1,350,385	748,120
Accrued Premium Tax	(31,063)	4,131,904	15,775,120
Accrued Interest Payable	67,968	66,047	42,062
Current Portion of Deferred Revenue	460,000	460,000	460,000
Accrued Payroll Expense	942,711	789,471	760,032
Total Current Liabilities	151,965,193	160,546,086	138,918,788
Long-Term Liabilities:			
DHCS - Reserve for Capitation Recoup	143,500,602	129,815,278	0
Other Long-term Liability-Deferred Rent	415,985	379,891	71,845
Deferred Revenue - Long Term Portion	38,333	76,667	460,000
Notes Payable	7,200,000	7,200,000	7,200,000
Total Long-Term Liabilities	151,154,920	137,471,836	7,731,845
Total Liabilities	303,120,113	298,017,922	146,650,634
Net Assets:			
Beginning Net Assets	32,613,991	32,613,991	4,691,101
Total Increase / (Decrease in Unrestricted Net Assets)	69,106,443	61,932,986	27,922,890
Total Net Assets	101,720,434	94,546,977	32,613,991
Total Liabilities & Net Assets	\$ 404,840,547	\$ 392,564,899	\$ 179,264,625

FINANCIAL INDICATORS			
Current Ratio	2.49 : 1	2.28 : 1	1.28 : 1
Days Cash on Hand	250	292	34
Days Cash + State Capitation Rec	302	295	100
Days Cash + State Capitation Rec (less Tax Liab)	302	291	91

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	FY 2014-15 Monthly Trend			Current Month		
	FEB 15	MAR 15	APR 15	MAY 15		Variance
				Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	181,458	185,971	187,227	187,801	165,303	22,498
Revenue:						
Premium	\$ 60,901,975	\$ 59,433,011	\$ 60,117,248	\$ 60,609,305	\$ 54,076,760	\$ 6,532,545
Reserve for Rate Reduction	(13,980,481)	(14,663,168)	(12,032,264)	(13,685,324)	0	(13,685,324)
MCO Premium Tax	(1,913,763)	(4,806,046)	(2,083,799)	(2,386,510)	(2,129,272)	(257,237)
Total Net Premium	45,007,731	39,963,798	46,001,185	44,537,471	51,947,488	(7,410,016)
Other Revenue:						
Miscellaneous Income	38,333	38,333	38,333	38,333	38,333	(0)
Total Other Revenue	38,333	38,333	38,333	38,333	38,333	(0)
Total Revenue	45,046,064	40,002,131	46,039,519	44,575,805	51,985,821	(7,410,017)
Medical Expenses:						
Capitation (PCP, Specialty, Kasier, NEMT & Vision)	3,459,155	4,052,943	4,334,304	4,406,664	2,855,040	(1,551,623)
FFS Claims Expenses:						
Inpatient	4,843,204	5,097,394	6,477,031	6,776,899	10,753,709	3,976,810
LTC / SNF	10,126,507	5,762,933	6,819,386	6,139,754	7,607,916	1,468,162
Outpatient	2,533,435	2,281,965	2,230,932	2,355,940	2,814,194	458,254
Laboratory and Radiology	46,028	162,651	11,628	196,578	870,607	674,028
Physician ACA 1202	3,134,914	0	0	0	0	0
Emergency Room	1,042,118	1,194,168	1,010,132	1,052,564	1,668,571	616,007
Physician Specialty	1,791,663	2,021,708	2,379,637	2,605,488	3,448,201	842,713
Primary Care Physician	673,648	934,447	774,095	830,822	2,780,566	1,949,744
Home & Community Based Services	775,691	956,829	812,703	698,217	836,499	138,282
Applied Behavior Analysis Services	8,265	11,165	14,727	20,429	0	(20,429)
Mental Health Services	415,979	678,589	684,279	697,231	781,616	84,386
Pharmacy	5,532,105	6,006,966	6,129,485	6,312,066	10,115,951	3,803,886
Other Medical Professional	111,261	151,825	74,024	150,919	291,323	140,403
Other Medical Care	0	0	341	0	0	0
Other Fee For Service	250,180	660,972	641,698	627,872	971,115	343,243
Transportation	75,730	(50,918)	108,496	65,367	344,326	278,959
Total Claims	31,360,727	25,870,693	28,168,594	28,530,146	43,284,593	14,754,447
Medical & Care Management Expense	1,016,692	1,079,869	1,087,702	1,112,867	1,127,251	14,384
Reinsurance	502,015	480,408	492,016	535,763	201,670	(334,093)
Claims Recoveries	(177,502)	(100,289)	(778)	(89,868)	0	89,868
Sub-total	1,341,205	1,459,988	1,578,939	1,558,762	1,328,920	(229,842)
Total Cost of Health Care	36,161,087	31,383,625	34,081,837	34,495,572	47,468,554	12,972,982
Contribution Margin	8,884,977	8,618,506	11,957,681	10,080,233	4,517,267	5,562,966
General & Administrative Expenses:						
Salaries and Wages	711,273	736,114	683,270	840,098	863,507	23,409
Payroll Taxes and Benefits	189,329	195,625	192,640	197,312	239,130	41,819
Travel and Training	10,869	8,984	11,020	14,277	21,194	6,917
Outside Service - ACS	1,349,555	1,447,875	1,398,128	1,327,673	1,240,306	(87,367)
Outside Services - Other	151,651	153,238	235,597	164,778	152,369	(12,409)
Accounting & Actuarial Services	14,585	5,415	10,000	10,000	25,000	15,000
Legal	289,180	188,244	226,134	68,274	33,333	(34,941)
Insurance	33,940	32,538	39,441	38,039	14,583	(23,456)
Lease Expense - Office	64,785	65,957	65,957	68,687	64,354	(4,333)
Consulting Services	12,475	37,106	22,212	93,310	91,816	(1,494)
Translation Services	3,990	5,466	8,166	4,909	7,083	2,174
Advertising and Promotion	2,057	1,178	1,041	7,060	31,129	24,069
General Office	182,426	131,637	72,685	120,899	90,920	(29,979)
Depreciation & Amortization	16,530	18,111	19,444	19,444	31,913	12,469
Printing	1,089	365	21,226	19,038	9,375	(9,663)
Shipping & Postage	22,696	25,648	187	13,128	11,342	(1,786)
Interest	9,641	15,268	41,678	10,774	15,000	4,226
Total G & A Expenses	3,066,071	3,068,769	3,048,826	3,017,700	2,942,354	(75,346)
Total Operating Gain / (Loss)	5,818,906	5,549,737	8,908,856	7,062,533	1,574,913	5,487,620
Non Operating:						
Revenues - Interest	46,762	40,314	78,069	112,844	17,845	94,999
Expenses - Interest	3,115	2,528	2,749	1,921	0	(1,921)
Total Non-Operating	43,647	37,785	75,320	110,923	17,845	93,078
Total Increase / (Decrease) in Unrestricted Net Assets	5,862,553	5,587,523	8,984,176	7,173,456	1,592,758	5,580,698
Full Time Employees				152	169	17

PMPM Statement of Revenues, Expenses and Changes in Net Assets

	FEB 15	MAR 15	APR 15	MAY 15		Variance Fav / (Unfav)
				Actual	Budget	
Membership (includes retro members)	181,458	185,971	187,227	187,801	165,303	22,498
Revenue:						
Premium	335.63	319.58	321.09	322.73	327.14	(4.41)
Reserve for Rate Reduction	(77.05)	(78.85)	(64.27)	(72.87)	0.00	(72.87)
MCO Premium Tax	(10.55)	(25.84)	(11.13)	(12.71)	(12.88)	0.17
Total Net Premium	248.03	214.89	245.70	237.15	314.26	(77.10)
Other Revenue:						
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.21	0.21	0.20	0.20	0.23	(0.03)
Total Other Revenue	0.21	0.21	0.20	0.20	0.23	(0.03)
Total Revenue	248.25	215.10	245.90	237.36	314.49	(77.13)
Medical Expenses:						
<u>Capitation (PCP, Specialty, Kasier, NEMT & Vision)</u>	19.06	21.79	23.15	23.46	17.27	(6.19)
<u>FFS Claims Expenses:</u>						
Inpatient	26.69	27.41	34.59	36.09	65.05	28.97
LTC / SNF	55.81	30.99	36.42	32.69	46.02	13.33
Outpatient	13.96	12.27	11.92	12.54	17.02	4.48
Laboratory and Radiology	0.25	0.87	0.06	1.05	5.27	4.22
Physician ACA 1202	17.28	0.00	0.00	0.00	0.00	0.00
Emergency Room	5.74	6.42	5.40	5.60	10.09	4.49
Physician Specialty	9.87	10.87	12.71	13.87	20.86	6.99
Primary Care Physician	3.71	5.02	4.13	4.42	16.82	12.40
Home & Community Based Services	4.27	5.15	4.34	3.72	5.06	1.34
Applied Behavior Analysis Services	0.05	0.06	0.08	0.11	0.00	(0.11)
Mental Health Services	2.29	3.65	3.65	3.71	4.73	1.02
Pharmacy	30.49	32.30	32.74	33.61	61.20	27.59
Adult Expansion Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Provider Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Other Medical Professional	0.61	0.82	0.40	0.80	1.76	0.96
Other Medical Care	0.00	0.00	0.00	0.00	0.00	0.00
Other Fee For Service	1.38	3.55	3.43	3.34	5.87	2.53
Transportation	0.42	(0.27)	0.58	0.35	2.08	1.73
Total Claims	172.83	139.11	150.45	151.92	261.85	109.93
Medical & Care Management Expense	5.60	5.81	5.81	5.93	6.82	0.89
Reinsurance	2.77	2.58	2.63	2.85	1.22	(1.63)
Claims Recoveries	(0.98)	(0.54)	(0.00)	(0.48)	0.00	0.48
Sub-total	7.39	7.85	8.43	8.30	8.04	(0.26)
Total Cost of Health Care	199.28	168.76	182.03	183.68	287.16	103.48
Contribution Margin	48.96	46.34	63.87	53.68	27.33	26.35
General & Administrative Expenses:						
Salaries and Wages	3.92	3.96	3.65	4.47	5.22	0.75
Payroll Taxes and Benefits	1.04	1.05	1.03	1.05	1.45	0.40
Travel and Training	0.06	0.05	0.06	0.08	0.13	0.05
Outside Service - ACS	7.44	7.79	7.47	7.07	7.50	0.43
Outside Service - CQS	0.00	0.00	0.00	0.00	0.00	0.00
Outside Service - RGS	0.00	0.00	0.00	0.00	0.00	0.00
Outside Service - Script Care	0.00	0.00	0.00	0.00	0.00	0.00
Outside Services - Other	0.84	0.82	1.26	0.88	0.92	0.04
Accounting & Actuarial Services	0.08	0.03	0.05	0.05	0.15	0.10
Legal	1.59	1.01	1.21	0.36	0.20	(0.16)
Insurance	0.19	0.17	0.21	0.20	0.09	(0.11)
Lease Expense - Office	0.36	0.35	0.35	0.37	0.39	0.02
Consulting Services	0.07	0.20	0.12	0.50	0.56	0.06
Translation Services	0.02	0.03	0.04	0.03	0.04	0.02
Advertising and Promotion	0.01	0.01	0.01	0.04	0.19	0.15
General Office	1.01	0.71	0.39	0.64	0.55	(0.09)
Depreciation & Amortization	0.09	0.10	0.10	0.10	0.19	0.09
Printing	0.01	0.00	0.11	0.10	0.06	(0.04)
Shipping & Postage	0.13	0.14	0.00	0.07	0.07	(0.00)
Interest	0.05	0.08	0.22	0.06	0.09	0.03
Other/ Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00	0.00
Total G & A Expenses	16.90	16.50	16.28	16.07	17.80	1.73
Total Operating Gain / (Loss)	32.07	29.84	47.58	37.61	9.53	28.08
Non Operating:						
Revenues - Interest	0.26	0.22	0.42	0.60	0.11	0.49
Expenses - Interest	0.02	0.01	0.01	0.01	0.00	(0.01)
Total Non-Operating	0.24	0.20	0.40	0.59	0.11	0.48
Total Increase / (Decrease) in Unrestricted Net Assets	32.31	30.05	47.99	38.20	9.64	28.56

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For Eleven Months Ended May 31, 2015

	MAY 15 Year-To-Date		Variance Fav / (Unfav)
	Actual	Budget	
Membership (includes retro members)	1,936,315	1,775,796	160,519
Revenue			
Premium	\$ 655,676,321	\$ 565,247,301	\$ 90,429,020
Reserve for Rate Reduction	(116,899,946)	0	(116,899,946)
MCO Premium Tax	(25,053,122)	(22,256,612)	(2,796,510)
Total Net Premium	513,723,253	542,990,688	(29,267,436)
Other Revenue:			
Miscellaneous Income	451,985	421,663	30,322
Total Other Revenue	451,985	421,663	30,322
Total Revenue	514,175,237	543,412,351	(29,237,114)
Medical Expenses:			
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	37,977,576	30,129,788	(7,847,788)
FFS Claims Expenses:			
Inpatient	81,932,007	111,288,250	29,356,244
LTC / SNF	88,647,478	82,930,504	(5,716,974)
Outpatient	28,667,575	29,355,182	687,607
Laboratory and Radiology	5,076,964	8,650,276	3,573,312
Physician ACA 1202	8,077,096	0	(8,077,096)
Emergency Room	13,556,560	17,228,204	3,671,644
Physician Specialty	29,774,753	36,181,802	6,407,049
Primary Care Physician	19,091,633	28,336,029	9,244,396
Home & Community Based Services	13,103,176	9,187,098	(3,916,078)
Applied Behavior Analysis Services	55,509	0	(55,509)
Mental Health Services	6,639,445	8,302,920	1,663,475
Pharmacy	62,397,743	103,634,594	41,236,851
Adult Expansion Reserve	(8,100,000)	0	8,100,000
Other Medical Professional	2,148,863	2,997,049	848,187
Other Medical Care	1,097	0	(1,097)
Other Fee For Service	7,794,116	10,326,363	2,532,247
Transportation	2,209,489	3,476,018	1,266,529
Total Claims	361,073,501	451,894,289	90,820,788
Medical & Care Management Expense	11,397,645	11,883,365	485,720
Reinsurance	4,142,248	2,166,471	(1,975,777)
Claims Recoveries	(976,586)	0	976,586
Sub-total	14,563,307	14,049,836	(513,470)
Total Cost of Health Care	413,614,384	496,073,914	82,459,530
Contribution Margin	100,560,853	47,338,437	53,222,416
General & Administrative Expenses:			
Salaries and Wages	7,662,065	9,118,113	1,456,047
Payroll Taxes and Benefits	2,156,741	2,446,656	289,915
Travel and Training	119,942	241,348	121,405
Outside Service - ACS	14,689,346	13,340,059	(1,349,286)
Outside Services - Other	1,581,882	1,568,099	(13,783)
Accounting & Actuarial Services	154,641	275,000	120,359
Legal	2,341,846	366,666	(1,975,180)
Insurance	266,879	160,417	(106,463)
Lease Expense - Office	712,422	707,894	(4,528)
Consulting Services	390,771	1,346,515	955,744
Translation Services	53,605	77,913	24,308
Advertising and Promotion	26,529	257,969	231,440
General Office	1,172,286	1,548,251	375,965
Depreciation & Amortization	185,168	278,393	93,225
Printing	103,454	200,797	97,343
Shipping & Postage	109,077	189,938	80,861
Interest	198,883	165,000	(33,883)
Total G & A Expenses	31,925,538	32,289,028	363,489
Total Operating Gain / (Loss)	\$ 68,635,315	\$ 15,049,410	\$ 53,585,905
Non Operating			
Revenues - Interest	524,113	186,532	337,581
Expenses - Interest	52,985	0	(52,985)
Total Non-Operating	471,128	186,532	284,596
Total Increase / (Decrease) in Unrestricted Net Assets	\$ 69,106,443	\$ 15,235,941	\$ 53,870,501
Net Assets, Beginning of Year	32,613,991		
Net Assets, End of Year	<u>101,720,434</u>		

Statement of Cash Flows - Monthly

	MAY 15	APR 15	MAR 15
Cash Flow From Operating Activities			
Collected Premium	\$ -	\$ 66,932,156	\$ 134,811,271
Miscellaneous Income	112,844	78,069	40,314
State Pass Through Funds	-	2,139,715	4,383,049
Paid Claims			
Medical & Hospital Expenses	(25,562,731)	(30,629,285)	(35,848,764)
Pharmacy	(6,784,343)	(6,410,487)	(5,781,444)
Capitation	(3,835,620)	(3,767,160)	(3,141,517)
Reinsurance of Claims	(535,763)	(529,803)	(480,408)
State Pass Through Funds Distributed	(1,541,703)	(1,532,177)	(1,446,016)
Paid Administration	(3,508,393)	(1,737,229)	(4,795,844)
MCO Tax Received / (Paid)	(6,549,477)	(1,651,004)	(3,383,516)
Net Cash Provided / (Used) by Operating Activities	(48,205,186)	22,892,795	84,357,126
Cash Flow From Investing / Financing Activities			
Net Acquisition of Investments	(6,241)	(179,737,508)	(50,003,271)
Net Acquisition of Property / Equipment	(30,333)	(24,727)	(18,626)
Net Cash Provided / (Used) by Investing / Financing	(36,574)	(179,762,235)	(50,021,897)
Net Cash Flow	\$ (48,241,760)	\$ (156,869,440)	\$ 34,335,229
Cash and Cash Equivalents (Beg. of Period)	156,092,662	312,962,102	278,626,873
Cash and Cash Equivalents (End of Period)	107,850,902	156,092,662	312,962,102
	\$ (48,241,760)	\$ (156,869,440)	\$ 34,335,229
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	7,173,456	8,984,176	5,587,523
Depreciation & Amortization	33,602	33,602	32,269
Decrease / (Increase) in Receivables	(60,698,003)	(70,360)	63,478,378
Decrease / (Increase) in Prepays & Other Current Assets	183,567	(127,154)	106,964
(Decrease) / Increase in Payables	(1,614,317)	2,337,526	(6,751,516)
(Decrease) / Increase in Other Liabilities	13,683,085	18,939,718	27,713,537
Change in MCO Tax Liability	(4,162,967)	800,379	2,313,260
Changes in Claims and Capitation Payable	3,782,493	1,159,564	138,152
Changes in IBNR	(6,586,102)	(9,164,657)	(8,261,441)
	(48,205,186)	22,892,795	84,357,126
Net Cash Flow from Operating Activities	(48,205,186)	22,892,795	84,357,126

Statement of Cash Flows - YTD

	MAY 15
Cash Flow From Operating Activities	
Collected Premium	\$ 735,416,586
Miscellaneous Income	524,112
State Pass Through Funds	51,814,653
<u> Paid Claims</u>	
Medical & Hospital Expenses	(278,957,905)
Pharmacy	(66,725,051)
Capitation	(33,126,434)
Reinsurance of Claims	(5,475,375)
State Pass Through Funds Distributed	(47,893,558)
Paid Administration	(34,602,997)
MCO Taxes Received / (Paid)	(43,289,146)
Net Cash Provided / (Used) by Operating Activities	277,684,885
Cash Flow From Investing / Financing Activities	
Net Acquisition of Investments	(229,747,020)
Net Acquisition of Property / Equipment	(263,661)
Net Cash Provided / (Used) by Investing / Financing	(230,010,681)
Net Cash Flow	\$ 47,674,204
Cash and Cash Equivalents (Beg. of Period)	60,176,698
Cash and Cash Equivalents (End of Period)	107,850,902
	\$ 47,674,204
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income / (Loss)	69,106,443
Depreciation & Amortization	340,911
Decrease / (Increase) in Receivables	51,597,143
Decrease / (Increase) in Prepaids & Other Current Assets	170,908
(Decrease) / Increase in Payables	3,707,927
(Decrease) / Increase in Other Liabilities	143,423,075
Change in MCO Tax Liability	(15,806,183)
Changes in Claims and Capitation Payable	9,667,786
Changes in IBNR	15,476,875
	277,684,885
Net Cash Flow from Operating Activities	\$ 277,684,885

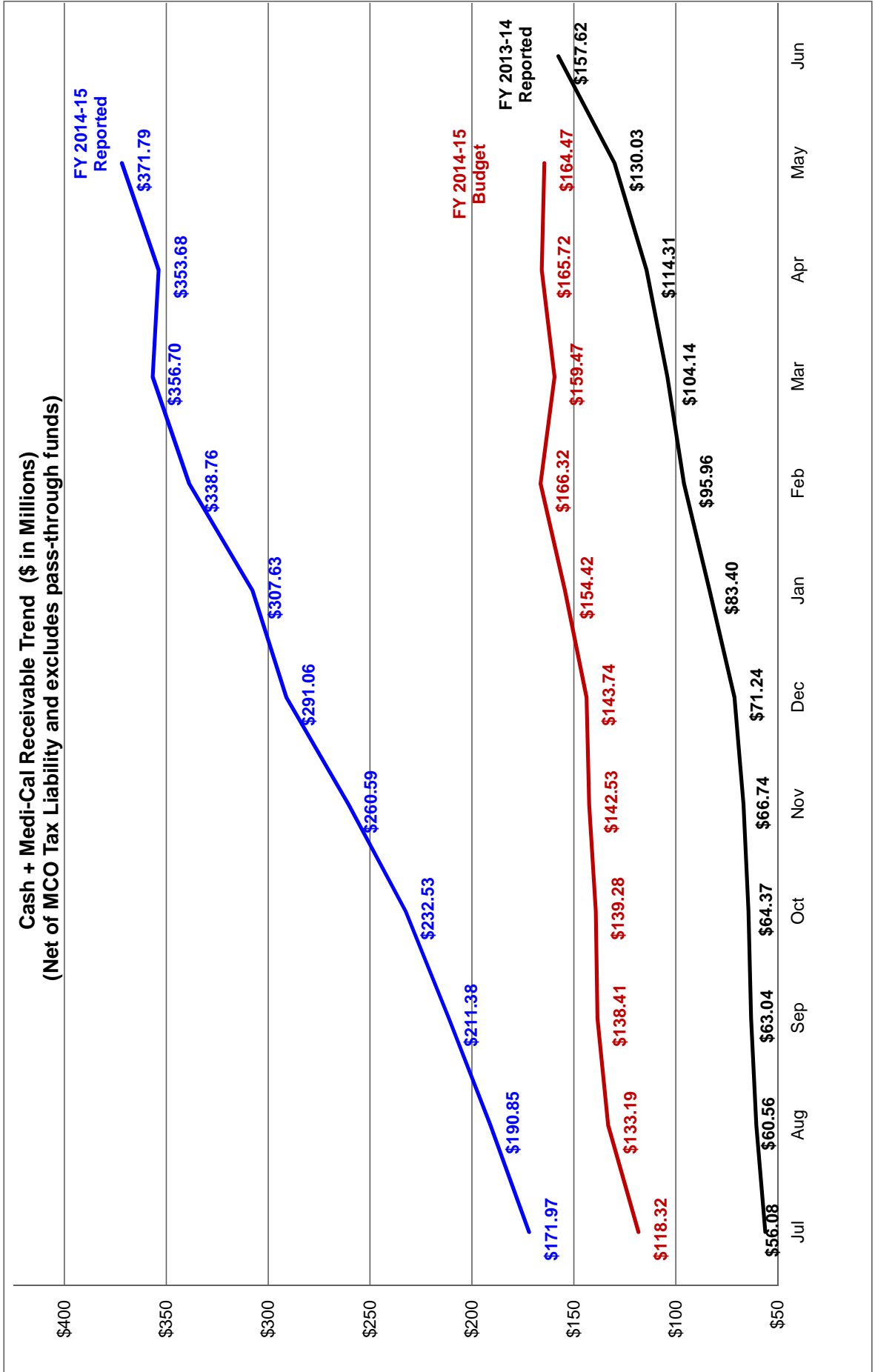


For the month ended May 31, 2015

APPENDIX

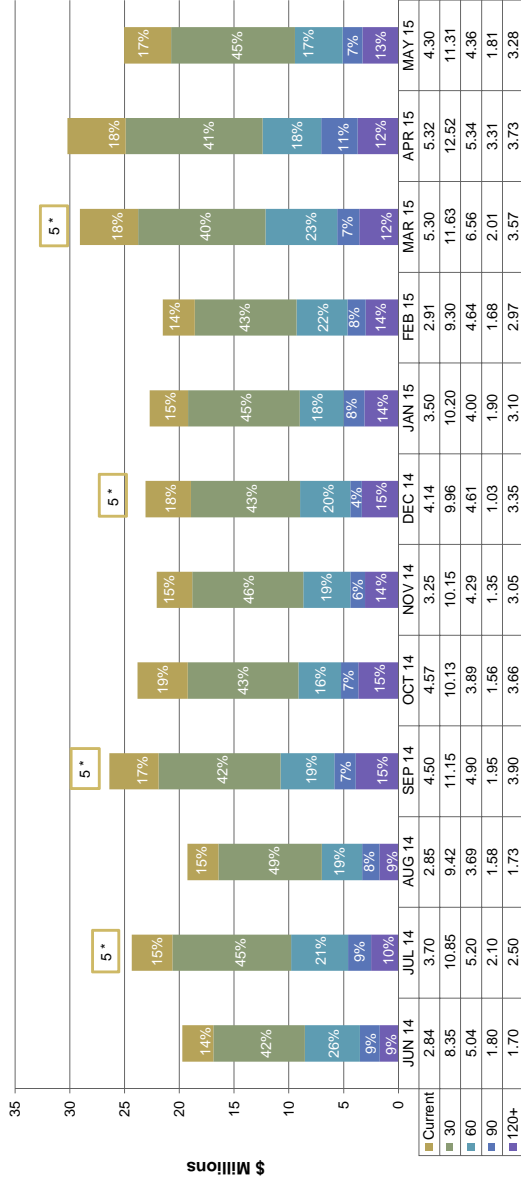
Cash Trend Combined
Paid Claims and IBNP Composition
Total Expense Composition
Pharmacy Cost Trend
Pharmacy Cost & Utilization Analysis

**GOLD COAST HEALTH PLAN
MAY 15**



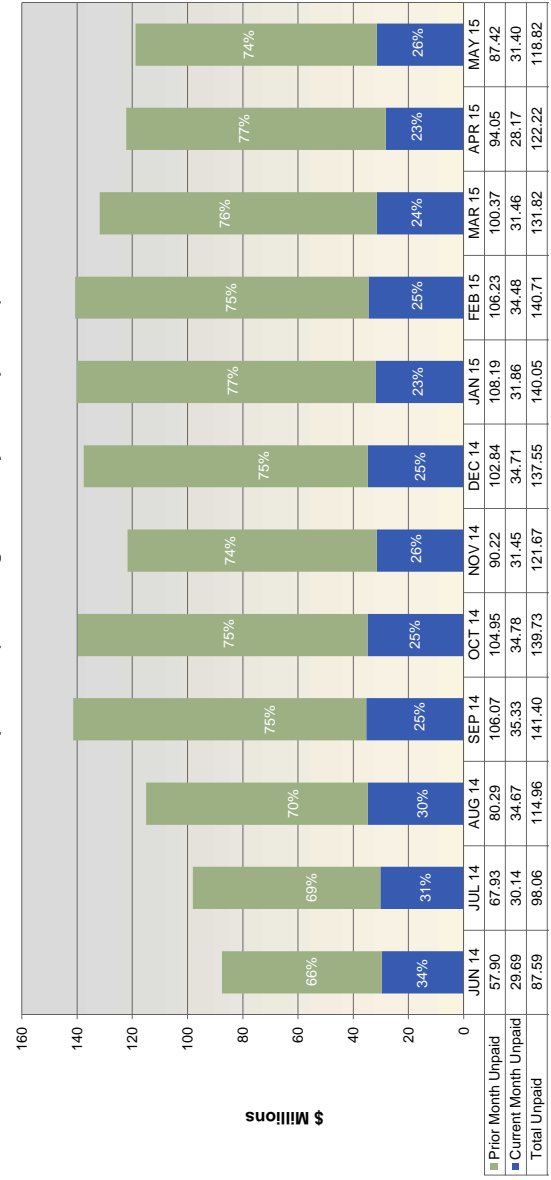
**GOLD COAST HEALTH PLAN
MAY 15**

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.

GOLD COAST HEALTH PLAN

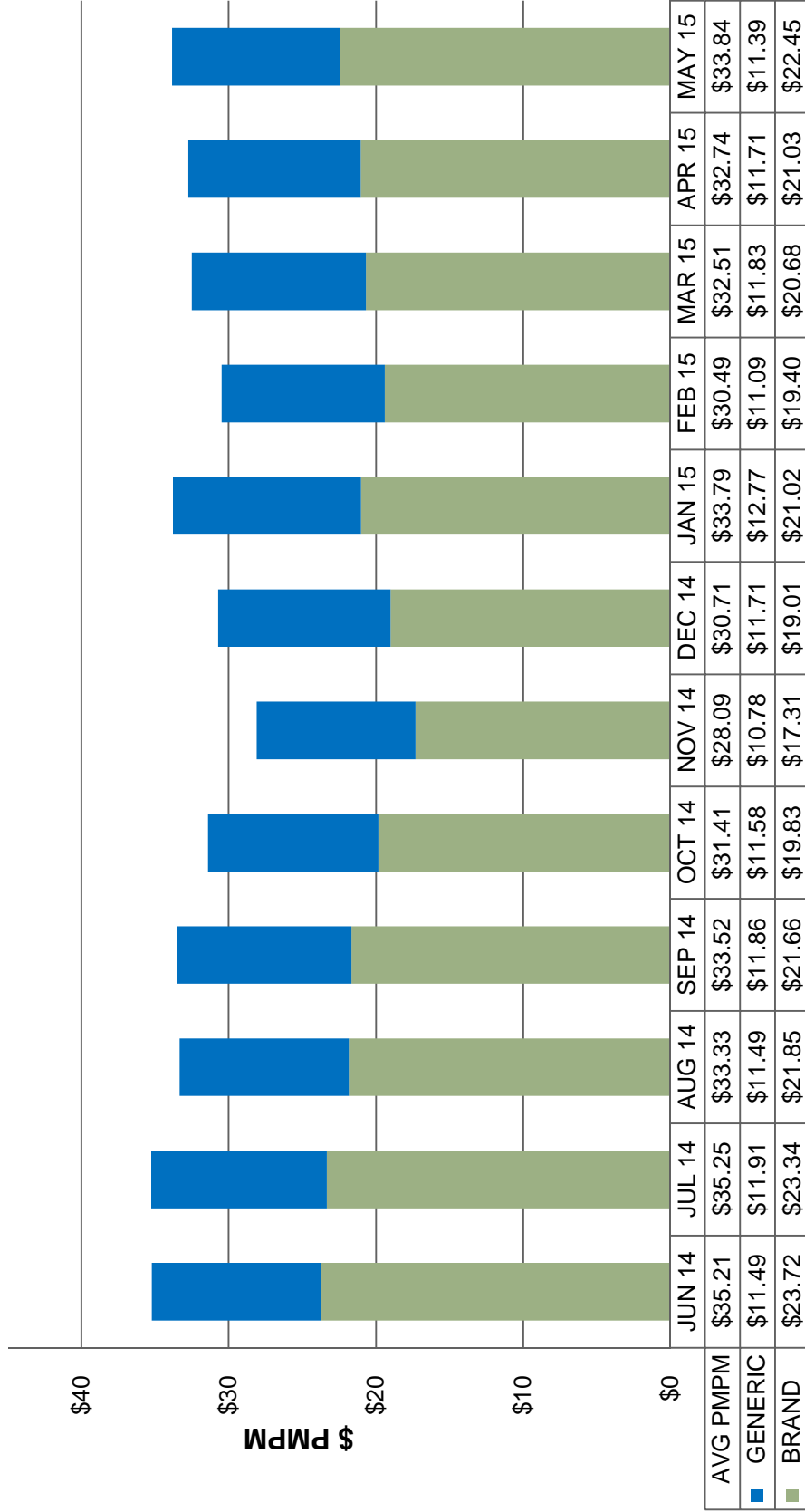
Total Expense Composition



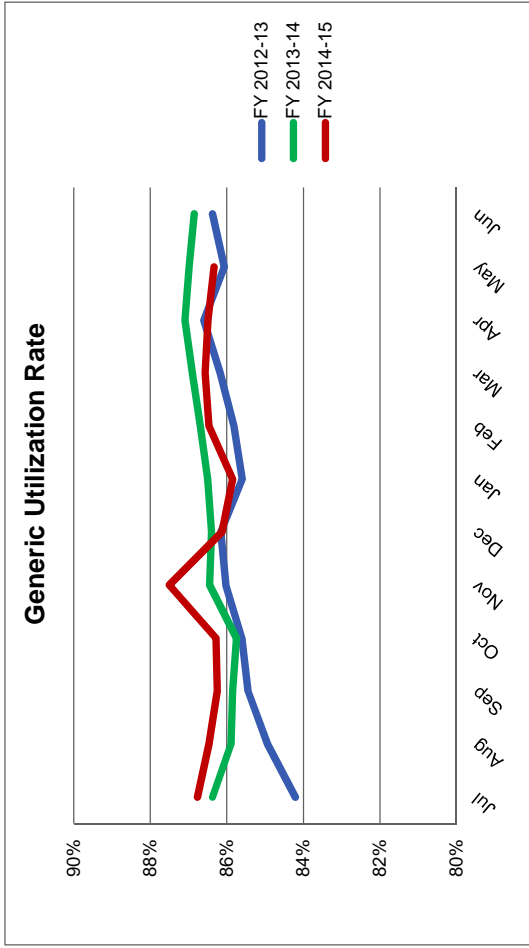
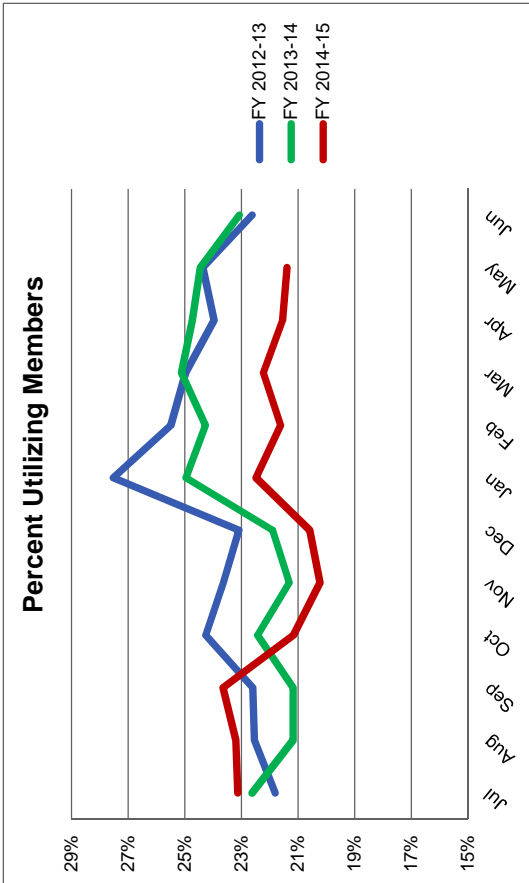
Note: November 14 reflects an adjustment in medical expenses as a result of the Adult Expansion allowance for revenue recoup. January 15 reflects an adjustment to Adult Expansion reserve resulting in a reduction to IBNR.

GOLD COAST HEALTH PLAN

Pharmacy Cost Trend



**GOLD COAST HEALTH PLAN
Pharmacy Analysis**



Effective Oct 14, Dual members were responsible for prescription copays, lowering the percentage of utilizing members.

