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

2240 E. Gonzales, Suite 200, Oxnard, CA 93036
Monday, April 28, 2014
3:00 p.m.

AGENDA

CALL TO ORDER / ROLL CALL

SWEAR IN OF NEW COMMISSIONERS
Barry Fisher and Robert Wardwell

ELECTION OF TEMPORARY CHAIR

PUBLIC COMMENT A Speaker Card must be completed and submitted to the Clerk of the Board by anyone wishing to comment:

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

1. APPROVE MINUTES
a. Special Meeting of March 17, 2014
b. Regular Meeting of March 24, 2014

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

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

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

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba
Gold Coast Health Plan April 28, 2014 Commission Meeting Agenda *(continued)*
PLACE: 2240 E. Gonzalez, Room 200, Oxnard, CA
TIME: 3:00 p.m.

2. CONSENT ITEMS
a. February Financials

3. APPROVAL ITEMS
a. DHCS Contract Amendment A11

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

5. INFORMATIONAL ITEMS
a. Compliance Officer Quarterly Report

CLOSED SESSION

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

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

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

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

Announcement from Closed Session, if any.

1. APPROVAL ITEMS *(Continued)*
b. Adoption of Revised Salary Range for CEO
c. Termination of Existing CEO Employment Agreement and Approval of New CEO Employment Agreement

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba
Gold Coast Health Plan April 28, 2014 Commission Meeting Agenda *(continued)*
PLACE: 2240 E. Gonzalez, Room 200, Oxnard, CA
TIME: 3:00 p.m.

COMMENTS FROM COMMISSIONERS

ADJOURNMENT

Unless otherwise determined by the Commission, the next regular meeting of the Commission will be held on May 19, 2014 at 3:00 p.m. at 2240 E. Gonzales Road, Suite 200, Oxnard CA 93036

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) Special Commission Meeting Minutes
March 17, 2014
(Not official until approved)

CALL TO ORDER

Chair Gonzalez called the meeting to order at 3:03 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

SWEAR IN OF NEW AND RETURNING COMMISSIONERS

Antonio Alatorre, Michelle Laba, Gagan Pawar and Dee Pupa were sworn in by Clerk of the Board McGinley

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE
Antonio Alatorre, Clinicas del Camino Real, Inc.
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program (arrived at 3:10 p.m.)
May Lee Berry, Medi-Cal Beneficiary Advocate (arrived at 3:06 p.m.)
Lanyard Dial, MD, Ventura County Medical Association
Peter Foy, Ventura County Board of Supervisors (arrived at 3:12 p.m.)
Robert Gonzalez, MD, Ventura County Health Care Agency
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMISSION MEMBERS
David Glyer, Private Hospitals / Healthcare System
Laurie Harting *(previously Laurie Eberst)*, Private Hospitals / Healthcare System

STAFF IN ATTENDANCE
Michael Engelhard, Chief Executive Officer
Nancy Kierstyn Schreiner, Legal Counsel
Traci R. McGinley, Clerk of the Board
Stacy Diaz, Human Resources Director
Guillermo Gonzalez, Government Relations Director
Steven Lalich, Communications Director

The Pledge of Allegiance was recited.

PUBLIC COMMENT

None.

CLOSED SESSION

Legal Counsel Kierstyn Schreiner explained the purpose of the Closed Session item.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 3:07 p.m. regarding the following items:

1. Closed Session Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9

a. United States of America et al. ex re Donald Gordon, v. Gold Coast Health Plan, et al, United States District Court, Central District, Case Number: CV 11-5500-IFW (AJWx)

b. Philip Fields v. Ventura County et al, Case 2:13-cv-07357-FMO-RZ Court of Appeal Ninth Circuit

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 3:25 p.m.

Legal Counsel Kierstyn Schreiner stated that there was no reportable action taken in Closed Session.

Legal Counsel

In re Application to file Late Claim Don Gordon - Recommendation Deny Late Claim Application

Commissioner Dial moved to deny the late claim application of Don Gordon. Commissioner Araujo seconded. The motion carried. **Approved 9-0** with the following vote:

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

2. APPROVAL ITEMS

a. Ratification of Lease – 2220 E. Gonzales Road, Suite 200, Oxnard, CA

CEO Engelhard explained that this item had previously gone before the Commission at a Closed Session. As per the Commission's request, GCHP did attempt to negotiate further, but the County was firm. The final figure that the County agreed upon is the total

amount of $160,000; which is 30% of the remaining lease and payment of tenant improvements.

Commissioner Berry noted that she did not feel the amount was appropriate because when the Commission and organization was started it was for the County.

Commissioner Laba moved to ratify the lease for 2220 E. Gonzales Road, Suite 200, Oxnard, California. Commissioner Pupa seconded. The motion carried with the following vote:

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

COMMENTS FROM COMMISSIONERS

Commissioner Pupa and Commissioner Alatorre noted that they were excited to be part of the Commission.

SWEAR IN OF NEW AND RETURNING COMMISSIONERS

David Araujo was sworn in by Clerk of the Board McGinley.

ADJOURNMENT

Meeting adjourned at 3:29 p.m.

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) Special Commission Meeting Minutes
March 24, 2014
(Not official until approved)

CALL TO ORDER

Chair Gonzalez called the meeting to order at 3:01 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

ROLL CALL

COMMISSION MEMBERS IN ATTENDANCE
Antonio Alatorre, Clinicas del Camino Real, Inc.
David Araujo, MD, Ventura County Medical Center Family Medicine Residency Program
May Lee Berry, Medi-Cal Beneficiary Advocate
David Glyer, Private Hospitals / Healthcare System
Robert Gonzalez, MD, Ventura County Health Care Agency
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Gagan Pawar, MD, Clinicas del Camino Real, Inc. (arrived at 3:05 p.m.)
Dee Pupa, Ventura County Health Care Agency

EXCUSED / ABSENT COMMISSION MEMBERS
Lanyard Dial, MD, Ventura County Medical Association
Peter Foy, Ventura County Board of Supervisors
Laurie Harting *(previously Laurie Eberst)*, Private Hospitals / Healthcare System

STAFF IN ATTENDANCE
Michael Engelhard, Chief Executive Officer
Nancy Kierstyn Schreiner, Legal Counsel
Michelle Raleigh, Chief Financial Officer
Traci R. McGinley, Clerk of the Board
Brandy Armenta, Compliance Director
Sherri Bennett, Network Operations Director
Julie Booth, Quality Improvement Director
Charles Cho, MD, Chief Medical Officer (2011-2013)
Stacy Diaz, Human Resources Director
Anne Freese, Pharmacy Director
Lupe Gonzalez, Manager of Health Education & Disease Management
Steven Lalich, Communications Director
Vickie Lemmon, Health Services Director
Tami Lewis, Operations Director
Allen Maithel, Controller
Jenny Palm, Health Services Director (retiring)
Al Reeves, MD, Chief Medical Officer

Melissa Scrymgeour, Chief Information Officer
Lyndon Turner, Financial Analysis Director
Ruth Watson, Chief Operations Officer
Nancy Wharfield, MD, Medical Director Health Services

The Pledge of Allegiance was recited.

RECOGNITION OF RETIRING CMO CHARLES CHO, MD

CMO Cho spoke for a moment and stated that it has been quite a journey and he really grew to enjoy the challenges.

Chair Dr. Robert Gonzalez recognized Dr. Cho's contributions and that Dr. Cho had also stepped up as Interim CEO when he was approached by the Commission and was needed at GCHP.

CEO Michael Engelhard highlighted that Dr. Cho has a longstanding history of serving the community and that he came out of retirement to step into the CMO position at GCHP. The Plan would not be where it is today without Dr. Cho's contributions.

Brian Miller, Chief of Staff for Board of Supervisor Peter Foy, acknowledged all that Dr. Cho has done for the area and provided a Certificate of Recognition from the Board of Supervisors.

PUBLIC COMMENT

None.

1. APPROVE MINUTES

a. Regular Meeting of January 27, 2014

Commissioner Berry moved to approve the Regular Meeting Minutes of January 27, 2014. Commissioner Glyer seconded. The motion carried with the following votes:

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

2. CONSENT ITEMS

a. Provider Advisory Committee (PAC) Charter Policy and Procedure

b. Extension of Auditors Contract (McGladrey)

c. ICD-10 Vendor Selection

Commissioner Glyer moved to approve the Consent Items. Commissioner Pupa seconded. The motion carried with the following votes:

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

3. APPROVAL ITEMS

a. Election of Vice-Chair

The nomination process opened. Commissioner Laba nominated Commissioner Glyer and Commissioner Pawar nominated Commissioner Alatorre for Vice-Chair of the Commission. The nomination closed.

The following Commissioners supported Commissioner Glyer as Vice-Chair:
Araujo, Gonzalez, Laba and Pupa.

The following Commissioners supported Commissioner Alatorre as Vice-Chair:
Alatorre, Berry, Glyer and Pawar.

As the vote resulted in a tie, Commissioner Araujo moved to continue the Election of Vice-Chair to the next regularly scheduled meeting. Commissioner Pupa seconded. The motion carried with the following votes:

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

4. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard reviewed the written report with the Commission.

b. December and January Financials

CFO Raleigh reviewed the Financial Report and highlighted some of the key results. The Plan continues to generate positive net income. Year to date the net income is at $11.5 million. The positive net income contributes to the Plan's reserve levels, which are currently above the required levels.

The Plan received the ACA 1202 funds from the State. The funds were not included in the budgeted amounts due to the unknown timeframe of receipt of those funds and more importantly, the funds were originally considered to be pass-through amounts. Informational Item 5c, *ACA 1202 Update*, goes through this change in more detail. The State recently alerted managed care plans that this money will not be a "pass-through" and the plans may be "at-risk" financially, meaning that GCHP may have to pay physicians more than what the State provides. Health plans and the organizational associations are encouraging the State to reconsider this matter. Although it is not reflected in the January figures provided, if all providers attest and submit complete

encounter information the Plan could end up paying Providers roughly $1 million more for the first six month time period than it received from the State.

Commissioner Laba moved to Accept and File the CEO Update and Financials. Commissioner Gonzalez seconded. The motion carried with the following votes:

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

5. INFORMATIONAL ITEMS

a. CMO Update

Dr. Reeves, CMO, reviewed the written report with the Commission which highlighted the Quality Improvement Committee. Dr. Reeves reviewed the proceedings and reports from the February 25, 2014 Quality Improvement Committee. Dr. Reeves also highlighted the new Hepatitis C drug, Sovaldi, and indicated that this drug, which produces vastly improved outcomes from prior Hepatitis C drugs, was the Plan's highest cost drug in the month of March at more than $228,000 paid.

b. Health Services Update

Dr. Wharfield, Medical Director Health Services, reviewed the written report with the Commission. This report highlighted utilization statistics such as Bed Days per 1,000 members, Average Length of Stay for acute hospitalizations, all-cause 30-day readmission rates, and ER utilization.

c. ACA 1202 Update

Commissioners had no questions regarding this item and it was not specifically reviewed, but was briefly discussed during Agenda Item 1b, *December and January Financials*

CLOSED SESSION

Legal Counsel Kierstyn Schreiner explained the purpose of the Closed Session item.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 4:05 p.m. regarding the following items:

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

Closed Session Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9 - United States of America et al. ex re Donald Gordon, v. Gold Coast Health Plan, et al, United States District Court, Central District, Case Number: CV 11-5500-IFW (AJWx)

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 5:02 p.m.

Legal Counsel Kierstyn Schreiner announced that the Commission unanimously voted to appoint an Ad Hoc Committee comprised of Chair Gonzalez, Legal Counsel Kierstyn Schreiner and Human Resource Director Diaz to work on and bring back a new Contract for CEO Engelhard.

COMMENTS FROM COMMISSIONERS

Commissioner Berry noted that she attended the March CAC meeting and that staff is doing a great job with that committee.

Chair Gonzalez said how good it was to be back.

Commissioner Pupa stated that she was glad she was a part of the Commission.

ADJOURNMENT

Meeting adjourned at 5:04 p.m.

AGENDA ITEM 2a

To: Gold Coast Health Commissioners

From: Michelle Raleigh, Chief Financial Officer

Date: April 28, 2014

Re: February 2014 Financials

SUMMARY

Staff is presenting the attached February 2014 financial statements of Gold Coast Health Plan (Plan) for review by the Commission. These financials were reviewed with the Executive / Finance Committee on April 3, 2014 where the Committee recommended approval of these financials to the Commission.

BACKGROUND / DISCUSSION

The Plan has prepared the February 2014 financial package, including balance sheet, income statements and statements of cash flows.

FISCAL IMPACT

Year-To-Date Results

On a year-to-date basis, the Plan's net income is approximately $14.3 million compared to $11.3 million assumed in the budget. These operating results have contributed to a Tangible Net Equity (TNE) level of approximately $26.2 million, which exceeds both the budget of $23.2 million by $3.0 million and the State required TNE amount as of February 28, 2014 of $14.5 million (84% of $17.2 million, which is the amount needed to achieve 100% of the calculated TNE requirement) by $11.7 million. Please note the following:

1. The Plan's TNE amount includes $7.2 million in lines of credit with the County of Ventura.
2. The YTD TNE excludes the ACA 1202 funds since the Plan is continuing discussions with the State regarding whether these payments to qualifying providers are actual "pass through" funds, as assumed in the budget.

February Results

Other items to note for the month include:

Membership - The Plan's February membership was 133,041 which exceeded budget by 674 members. This is a 10.6% increase from the December 31, 2013 total of 120,275 and a 32.4% increase from February 2013 when enrollment stood at 100,522.

Revenue – February net revenue was $35.9 million or $0.6 million less than budget of $36.5 million. On a per member per month (PMPM) basis, net revenue was $269.71 PMPM which was $5.99 PMPM less than budget of $275.70 PMPM. The variance is driven by:

- Membership mix being different than estimated in the budget, primarily driven by the fact that Adult Expansion membership was approximately 2,000 members less than expected in the budget, resulting in revenue of approximately $1.0 million lower.
- Mental health revenue is now being accrued and the February financials include two months of accrual (for January and February). Therefore, the effect of accruing an extra month of anticipated revenue for this new benefit results in revenue of approximately $0.3 million higher than budget.

Health Care Costs – Heath care costs for February were $31.0 million and were $1.8 million better than budget. On a PMPM basis, reported health care costs were $232.65 PMPM versus a budgeted amount of $247.30. Drivers for the favorable variance include:

- Inpatient – Hospital costs have been trending downward since January which had additional reserves added to cover emerging winter illness utilization. After peaking in January, census figures are reflecting reduced hospitalization.
- Long-Term Care – An additional accrual was included in February for estimated AB 1629 rate increases (which will be paid retroactively to August, 2013 as required) for selected facilities.
- Pharmacy – Pharmacy expense have risen substantially, due in part to the new Adult Expansion population and a new Hepatitis C drug (Sovaldi).

Note that the health care expenses for the new Adult Expansion population will be limited to at least 85% of revenues, due to the medical loss ratio (MLR) corridor provision included in the Plan's contract with DHCS. This MLR corridor is summarized below in that the:

- Plan will return revenues if the MLR (i.e., health care costs divided by revenues) is less than 85%.
- Plan will receive additional revenues if the MLR is more than 95%.

Therefore, the February financials reflect an estimated 85% MLR for pharmacy. Other services will be evaluated as claims data is received. The Plan is having discussions with the auditors regarding future treatment of this provision.

Administrative Expenses – For the month, overall operational costs were $2.2 million or $0.09 million better than budget. The favorable variance resulted primarily from lower

than forecasted personnel costs due to timing of new hires versus that projected in the budget. The headcount at February 28, 2014 was 113 versus a budget of 119.

Cash + Medi-Cal Receivable - The total of Cash and Medi-Cal Premium Receivable balances of $120.8 million reported as of February 28, 2014 included a MCO Tax component amounting to $24.1 million (Note: subsequent to closing the books for February, staff found that both the Medi-Cal Receivable and Accrued Premium Tax accounts included approximately $8.1 million that had previously been recorded on the balance sheet. These entries have been reversed in the course of preparing the March 2014 financials. This adjustment had no impact on the Plan's net income or TNE.) Excluding the impact of the tax, the total of Cash and Medi-Cal Receivable balance as of February 28, 2014 was $96.7 million, or $14.5 million better than the budgeted level of $82.2 million.

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

Fixed Assets – Work at the Plan's new offices at 711 East Daily Drive is progressing with full completion expected in early April. Current plans are for an April 7, 2014 move-in date. Capital expenditures for the new facility are expected to be $682,000 and were approved by the Commission in January 2014. The cost incurred through February is approximately $100,000.

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

CONCURRENCE
Executive / Finance Committee, April 3, 2014

Attachment
February 2014 Financial Package

Gold Coast Health Plan℠
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FINANCIAL PACKAGE
For the month ended February 28, 2014

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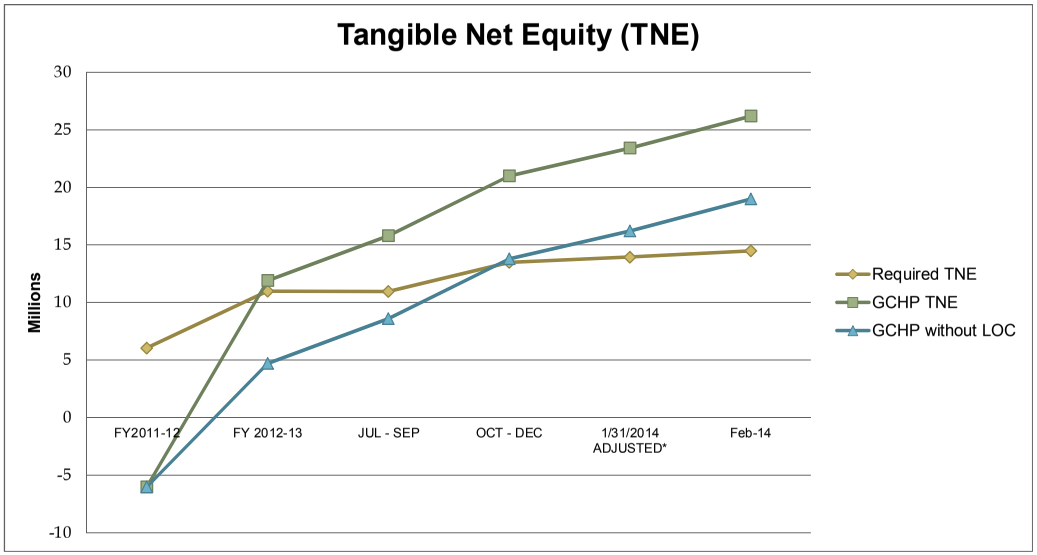
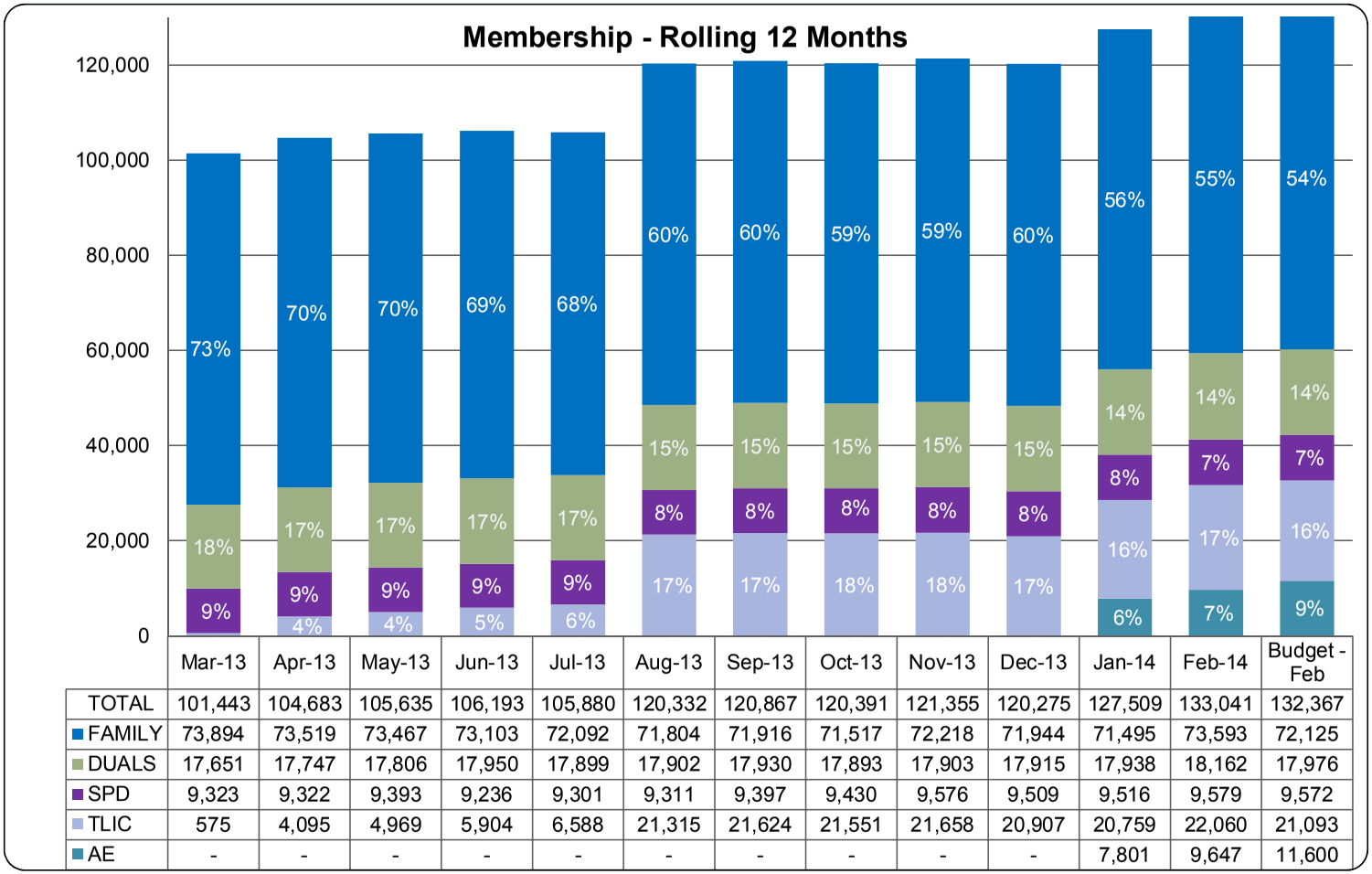
Financial Overview

Description	AUDITED FY2011-12	AUDITED FY 2012-13	UNAUDITED FY 2013-14 Actual JUL - SEP	OCT - DEC	1/31/2014 ADJUSTED*	Feb-14	YTD ADJUSTED*	Budget Comparison Budget YTD	Variance Fav/(Unfav)	Variance Fav/(Unfav) %
Member Months	**1,258,189**	**1,223,895**	347,079	362,021	127,509	133,041	**969,650**	**969,948**	(298)	(0.0)%
Revenue	**304,635,932**	**315,119,611**	**81,988,709**	**84,070,456**	**33,239,770**	**35,881,985**	**235,180,920**	**236,699,972**	(1,519,052)	(0.6)%
pmpm	*242.12*	*257.47*	*236.22*	*232.23*	*260.69*	*269.71*	*242.54*	*244.03*	(1.49)	(0.6)%
Health Care Costs	**287,353,672**	**280,382,704**	**71,875,533**	**72,867,512**	**28,583,258**	**30,952,027**	**204,278,330**	**208,576,431**	4,298,100	2.1 %
pmpm	*228.39*	*229.09*	*207.09*	*201.28*	*224.17*	*232.65*	*210.67*	*215.04*	4.37	2.0 %
% of Revenue	94.3%	89.0%	87.7%	86.7%	86.0%	86.3%	86.9%	88.1%	-1.3%	-1.4%
Admin Exp	**18,891,320**	**24,013,927**	**6,202,007**	**6,014,475**	**2,245,874**	**2,154,133**	**16,616,491**	**16,805,854**	189,363	1.1 %
pmpm	*15.01*	*19.62*	*17.87*	*16.61*	*17.61*	*16.19*	*17.14*	*17.33*	0.19	1.1 %
% of Revenue	6.2%	7.6%	7.6%	7.2%	6.8%	6.0%	7.1%	7.1%	0.0%	0.5%
Net Income	**(1,609,063)**	**10,722,980**	**3,911,169**	**5,188,469**	**2,410,637**	**2,775,825**	**14,286,099**	**11,317,688**	2,968,412	26.2 %
pmpm	*(1.28)*	*8.76*	*11.27*	*14.33*	*18.91*	*20.86*	*14.73*	*11.67*	3.06	26.3 %
% of Revenue	-0.5%	3.4%	4.8%	6.2%	7.3%	7.7%	6.1%	4.8%	1.3%	27.0%
100% TNE	16,769,368	16,138,440	16,112,437	16,056,217	16,597,381	17,247,717	17,247,717	17,204,652	43,065	0.3 %
% TNE Required	36%	68%	68%	84%	84%	84%	84%	84%		
Required TNE	6,036,972	10,974,139	10,956,457	13,487,223	13,941,800	14,488,083	14,488,083	14,451,908	36,175	0.3 %
GCHP TNE	**(6,031,881)**	**11,891,099**	**15,802,268**	**20,990,738**	**23,401,375**	**26,177,200**	**26,177,200**	**23,208,788**	**2,968,412**	**12.8 %**
TNE Excess / (Deficiency)	**(12,068,853)**	**916,960**	**4,845,810**	**7,503,516**	**9,459,575**	**11,689,117**	**11,689,117**	**8,756,880**	**2,932,237**	**33.5 %**

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

* Adjusted results remove the ACA 1202 payments ($5.2 million) from both revenue and health care costs in order to compare to the budget (since budget assumed these funds were





	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Budget - Feb
TOTAL	101,443	104,683	105,635	106,193	105,880	120,332	120,867	120,391	121,355	120,275	127,509	133,041	132,367
FAMILY	73,894	73,519	73,467	73,103	72,092	71,804	71,916	71,517	72,218	71,944	71,495	73,593	72,125
DUALS	17,651	17,747	17,806	17,950	17,899	17,902	17,930	17,893	17,903	17,915	17,938	18,162	17,976
SPD	9,323	9,322	9,393	9,236	9,301	9,311	9,397	9,430	9,576	9,509	9,516	9,579	9,572
TLIC	575	4,095	4,969	5,904	6,588	21,315	21,624	21,551	21,658	20,907	20,759	22,060	21,093
AE	-	-	-	-	-	-	-	-	-	-	7,801	9,647	11,600

NOTE: Amounts for March 2013 through February 2014 are actuals

SPD = Seniors and Persons with Disabilities

TLIC = Targeted Low Income Children

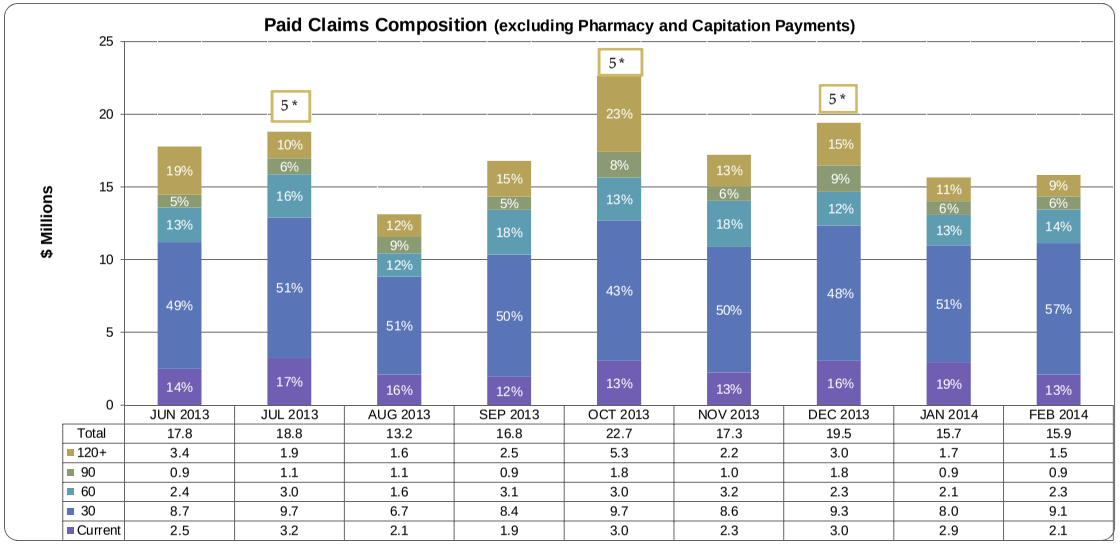
AE = Adult Expansion

Income Statement Monthly Trend

	2014 Actual Monthly Trend					Current Month		
	SEP 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014		Variance
						Actual	Budget	Fav/(Unfav)
Membership (includes retro members)	120,867	120,391	121,355	120,275	127,509	133,041	132,367	674
Revenue:								
Premium	$ 29,602,003	$ 29,980,945	$ 29,108,732	$ 29,047,006	$ 40,250,143	$ 37,669,204	$ 38,204,978	$ (535,774)
Reserve for Rate Reduction	-	(278,508)	(282,654)	(281,754)	(425,684)	(387,418)	(257,539)	(129,879)
MCO Premium Tax	(1,068,828)	(1,149,386)	(1,114,454)	(1,110,666)	(1,467,377)	(1,451,360)	(1,504,321)	52,961
Total Net Premium	**28,533,175**	**28,553,050**	**27,711,624**	**27,654,585**	**38,357,083**	**35,830,427**	**36,443,119**	**(612,692)**
Other Revenue:								
Interest Income	11,819	15,509	8,658	12,031	11,688	14,272	11,844	2,429
Miscellaneous Income	38,333	38,333	38,333	38,333	38,333	37,286	38,333	(1,047)
Total Other Revenue	50,152	53,842	46,991	50,364	50,021	51,559	50,177	1,382
Total Revenue	**28,583,327**	**28,606,892**	**27,758,615**	**27,704,949**	**38,407,105**	**35,881,985**	**36,493,296**	**(611,310)**
Medical Expenses:								
Capitation (PCP, Specialty, Kasier, NEMT & Visior	1,533,277	1,597,311	1,616,715	1,610,161	1,609,561	1,679,455	1,661,631	(17,823)
FFS Claims Expenses:								
Inpatient	5,531,725	5,200,045	4,229,618	4,491,812	5,733,670	5,139,891	7,047,076	1,907,185
LTC/SNF	6,003,374	8,189,391	7,051,854	6,923,947	6,871,300	7,988,436	6,021,352	(1,967,084)
Outpatient	2,281,073	2,762,602	3,112,769	3,189,204	3,582,927	3,057,728	3,316,793	259,065
Laboratory and Radiology	96,573	101,182	149,563	111,157	352,687	450,809	474,340	23,531
Physician ACA 1202	***-***	***-***	***-***	***-***	***5,167,335***	***104,094***	***-***	***(104,094)***
Emergency Room	803,936	847,968	788,033	729,901	850,311	871,674	984,266	112,592
Physician Specialty	1,725,887	1,575,483	1,903,339	2,305,009	2,353,215	1,930,722	2,608,213	677,491
Mental Health Services	-	-	-	-	225,017	233,276	191,776	(41,500)
Pharmacy	3,172,116	3,599,699	3,026,831	3,210,998	3,863,088	5,657,345	5,995,501	338,156
Other Medical Professional	249,684	25,851	153,013	149,068	141,578	192,695	175,485	(17,210)
Other Medical Care	1,621	-	-	3,608	(1,935)	-	-	-
Other Fee For Service	2,100,151	1,998,727	1,800,032	1,645,707	2,634,006	2,870,527	3,096,463	225,935
Transportation	178,553	73,220	88,442	67,551	86,625	83,111	87,155	4,044
Total Claims	22,144,693	24,374,168	22,303,494	22,827,961	31,859,823	28,580,309	29,998,420	1,418,111
Medical & Care Management Expense	746,163	738,701	722,455	830,780	824,092	774,659	872,273	97,614
Reinsurance	277,448	(1,222,910)	277,386	(1,553,135)	(395,380)	104,962	202,521	97,559
Claims Recoveries	104,688	(432,352)	(564,043)	(259,182)	(147,503)	(187,358)	-	187,358
Sub-total	1,128,300	(916,560)	435,798	(981,537)	281,209	692,263	1,074,794	382,531
Total Cost of Health Care	**24,806,270**	**25,054,919**	**24,356,007**	**23,456,586**	**33,750,593**	**30,952,027**	**32,734,845**	**1,782,818**
Contribution Margin	**3,777,057**	**3,551,973**	**3,402,608**	**4,248,363**	**4,656,511**	**4,929,959**	**3,758,451**	**1,171,508**
					33,750,593			
General & Administrative Expenses:								
Salaries and Wages	453,818	497,163	575,414	592,047	596,197	577,942	611,325	33,383
Payroll Taxes and Benefits	114,103	119,840	124,386	151,109	187,611	90,406	143,216	52,810
Travel and Training	10,686	13,879	10,975	4,315	4,276	9,270	15,237	5,967
Outside Service - ACS	1,190,847	958,836	912,065	940,933	968,191	1,024,850	1,003,201	(21,650)
Outside Services - Other	33,271	24,974	757	19,158	79,142	180,177	81,966	(98,211)
Accounting & Actuarial Services	46,568	70,000	(71,621)	12,500	56,250	14,226	13,333	(893)
Legal	54,932	45,876	67,706	88,066	114,004	47,032	36,340	(10,692)
Insurance	12,517	12,057	13,138	13,265	9,615	12,477	10,792	(1,685)
Lease Expense - Office	28,480	22,503	28,480	25,980	28,480	28,979	38,480	9,501
Consulting Services	264,998	118,908	(17,517)	42,604	46,831	53,700	104,310	50,610
Translation Services	2,778	4,225	1,638	3,602	8,387	2,554	2,417	(137)
Advertising and Promotion	-	-	3,985	1,883	-	790	11,460	10,670
General Office	77,654	100,062	98,180	115,766	96,638	83,285	112,597	29,312
Depreciation & Amortization	6,492	7,015	7,015	7,015	7,015	7,015	33,374	26,359
Printing	5,605	26,510	20,347	2,022	10,344	862	14,819	13,957
Shipping & Postage	1,016	11,395	13,389	562	14,021	5,822	3,405	(2,417)
Interest	37,708	107,768	45,473	18,828	18,873	14,746	10,610	(4,136)
Total G & A Expenses	**2,341,473**	**2,141,010**	**1,833,810**	**2,039,656**	**2,245,874**	**2,154,133**	**2,246,882**	**92,749**
Net Income / (Loss)	**$ 1,435,584**	**$ 1,410,963**	**$ 1,568,798**	**$ 2,208,708**	**$ 2,410,637**	**$ 2,775,825**	**$ 1,511,568**	**$ 1,264,257**

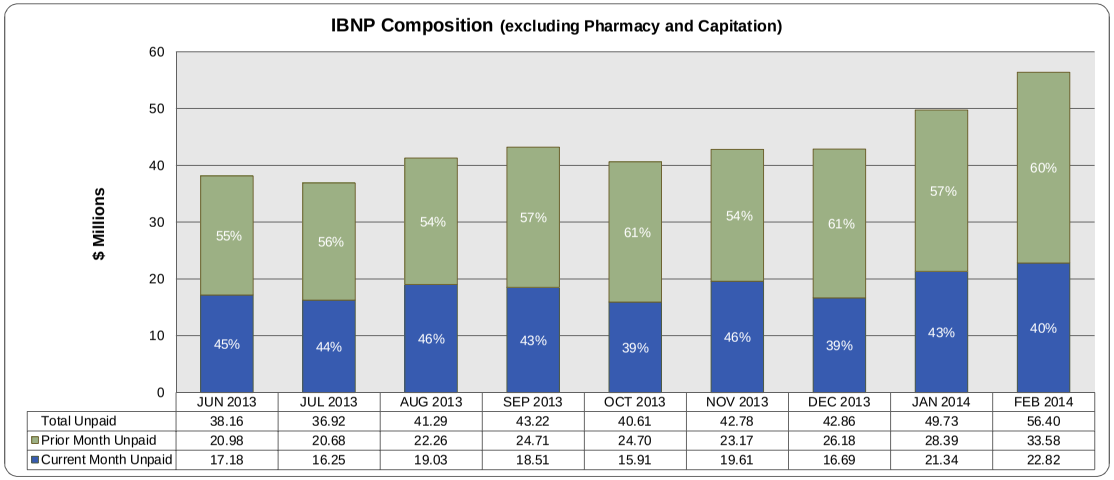
PMPM Income Statement Comparison

	2014 Actual Monthly Trend					FEB 2014		Variance
	SEP 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	Actual	Budget	Fav/(Unfav)
Membership (includes retro members)	120,867	120,391	121,355	120,275	127,509	133,041	132,367	674
Revenue:								
Premium	244.91	249.03	239.86	241.50	315.67	283.14	288.63	(5.49)
Reserve for Rate Reduction	-	(2.31)	(2.33)	(2.34)	(3.34)	(2.91)	(1.95)	(0.97)
MCO Premium Tax	(8.84)	(9.55)	(9.18)	(9.23)	(11.51)	(10.91)	(11.36)	0.46
Total Net Premium	**236.07**	**237.17**	**228.35**	**229.93**	**300.82**	**269.32**	**275.32**	**(6.00)**
Other Revenue:								
Interest Income	0.10	0.13	0.07	0.10	0.09	0.11	0.09	0.02
Miscellaneous Income	0.32	0.32	0.32	0.32	0.30	0.28	0.29	(0.01)
Total Other Revenue	**0.41**	**0.45**	**0.39**	**0.42**	**0.39**	**0.39**	**0.50**	**(0.11)**
Total Revenue	**236.49**	**237.62**	**228.74**	**230.35**	**301.21**	**269.71**	**275.70**	**(5.99)**
Medical Expenses:								
Capitation (PCP, Specialty, Kasier, NEMT & Visior	12.69	13.27	13.32	13.39	12.62	12.62	12.55	0.07
FFS Claims Expenses:								
Inpatient	45.77	43.19	34.85	37.35	44.97	38.63	53.24	14.61
LTC/SNF	49.67	68.02	58.11	57.57	53.89	60.04	45.49	(14.55)
Outpatient	18.87	22.95	25.65	26.52	28.10	22.98	25.06	2.07
Laboratory and Radiology	0.80	0.84	1.23	0.92	2.77	3.39	3.58	0.20
Physician ACA 1202	-	-	-	-	40.53	0.78	-	(0.78)
Emergency Room	6.65	7.04	6.49	6.07	6.67	6.55	7.44	0.88
Physician Specialty	14.28	13.09	15.68	19.16	18.46	14.51	19.70	5.19
Mental Health Services	-			-	1.76	1.75	1.45	(0.30)
Pharmacy	26.24	29.90	24.94	26.70	30.30	42.52	45.29	2.77
Other Medical Professional	2.07	0.21	1.26	1.24	1.11	1.45	1.33	(0.12)
Other Medical Care	0.01	-	-	0.03	(0.02)	-	-	-
Other Fee For Service	17.38	16.60	14.83	13.68	20.66	21.58	23.39	1.82
Transportation	1.48	0.61	0.73	0.56	0.68	0.62	0.66	0.03
Total Claims	183.22	202.46	183.79	189.80	249.86	214.82	226.63	11.81
Medical & Care Management Expense	6.17	6.14	5.95	6.91	6.46	5.82	6.59	0.77
Reinsurance	2.30	(10.16)	2.29	(12.91)	(3.10)	0.79	1.53	0.74
Claims Recoveries	0.87	(3.59)	(4.65)	(2.15)	(1.16)	(1.41)	-	1.41
Sub-total	9.34	(7.61)	3.59	(8.16)	2.21	5.20	8.12	2.92
Total Cost of Health Care	**205.24**	**208.11**	**200.70**	**195.02**	**264.69**	**232.65**	**247.30**	**14.65**
Contribution Margin	**31.25**	**29.50**	**28.04**	**35.32**	**36.52**	**37.06**	**28.39**	**8.66**
General & Administrative Expenses:								
Salaries and Wages	3.75	4.13	4.74	4.92	4.68	4.34	4.62	0.27
Payroll Taxes and Benefits	0.94	1.00	1.02	1.26	1.47	0.68	1.08	0.40
Travel and Training	0.09	0.12	0.09	0.04	0.03	0.07	0.12	0.05
Outside Service - ACS	9.85	7.96	7.52	7.82	7.59	7.70	7.58	(0.12)
Outside Services - Other	0.28	0.21	0.01	0.16	0.62	1.35	0.62	(0.74)
Accounting & Actuarial Services	0.39	0.58	(0.59)	0.10	0.44	0.11	0.10	(0.01)
Legal	0.45	0.38	0.56	0.73	0.89	0.35	0.27	(0.08)
Insurance	0.10	0.10	0.11	0.11	0.08	0.09	0.08	(0.01)
Lease Expense - Office	0.24	0.19	0.23	0.22	0.22	0.22	0.29	0.07
Consulting Services	2.19	0.99	(0.14)	0.35	0.37	0.40	0.79	0.38
Translation Services	0.02	0.04	0.01	0.03	0.07	0.02	0.02	(0.00)
Advertising and Promotion	-	-	0.03	0.02	-	0.01	0.09	0.08
General Office	0.64	0.83	0.81	0.96	0.76	0.63	0.85	0.22
Depreciation & Amortization	0.05	0.06	0.06	0.06	0.06	0.05	0.25	0.20
Printing	0.05	0.22	0.17	0.02	0.08	0.01	0.11	0.11
Shipping & Postage	0.01	0.09	0.11	0.00	0.11	0.04	0.03	(0.02)
Interest	0.31	0.90	0.37	0.16	0.15	0.11	0.08	(0.03)
Total G & A Expenses	**19.37**	**17.78**	**15.11**	**16.96**	**17.61**	**16.19**	**16.97**	**0.78**
Net Income / (Loss)	**11.88**	**11.72**	**12.93**	**18.36**	**18.91**	**20.86**	**11.42**	**9.44**



	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014
Total	17.8	18.8	13.2	16.8	22.7	17.3	19.5	15.7	15.9
120+	3.4	1.9	1.6	2.5	5.3	2.2	3.0	1.7	1.5
90	0.9	1.1	1.1	0.9	1.8	1.0	1.8	0.9	0.9
60	2.4	3.0	1.6	3.1	3.0	3.2	2.3	2.1	2.3
30	8.7	9.7	6.7	8.4	9.7	8.6	9.3	8.0	9.1
Current	2.5	3.2	2.1	1.9	3.0	2.3	3.0	2.9	2.1

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.



	JUN 2013	JUL 2013	AUG 2013	SEP 2013	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014
Total Unpaid	38.16	36.92	41.29	43.22	40.61	42.78	42.86	49.73	56.40
Prior Month Unpaid	20.98	20.68	22.26	24.71	24.70	23.17	26.18	28.39	33.58
Current Month Unpaid	17.18	16.25	19.03	18.51	15.91	19.61	16.69	21.34	22.82

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

For the month ended February 28, 2014

APPENDIX

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

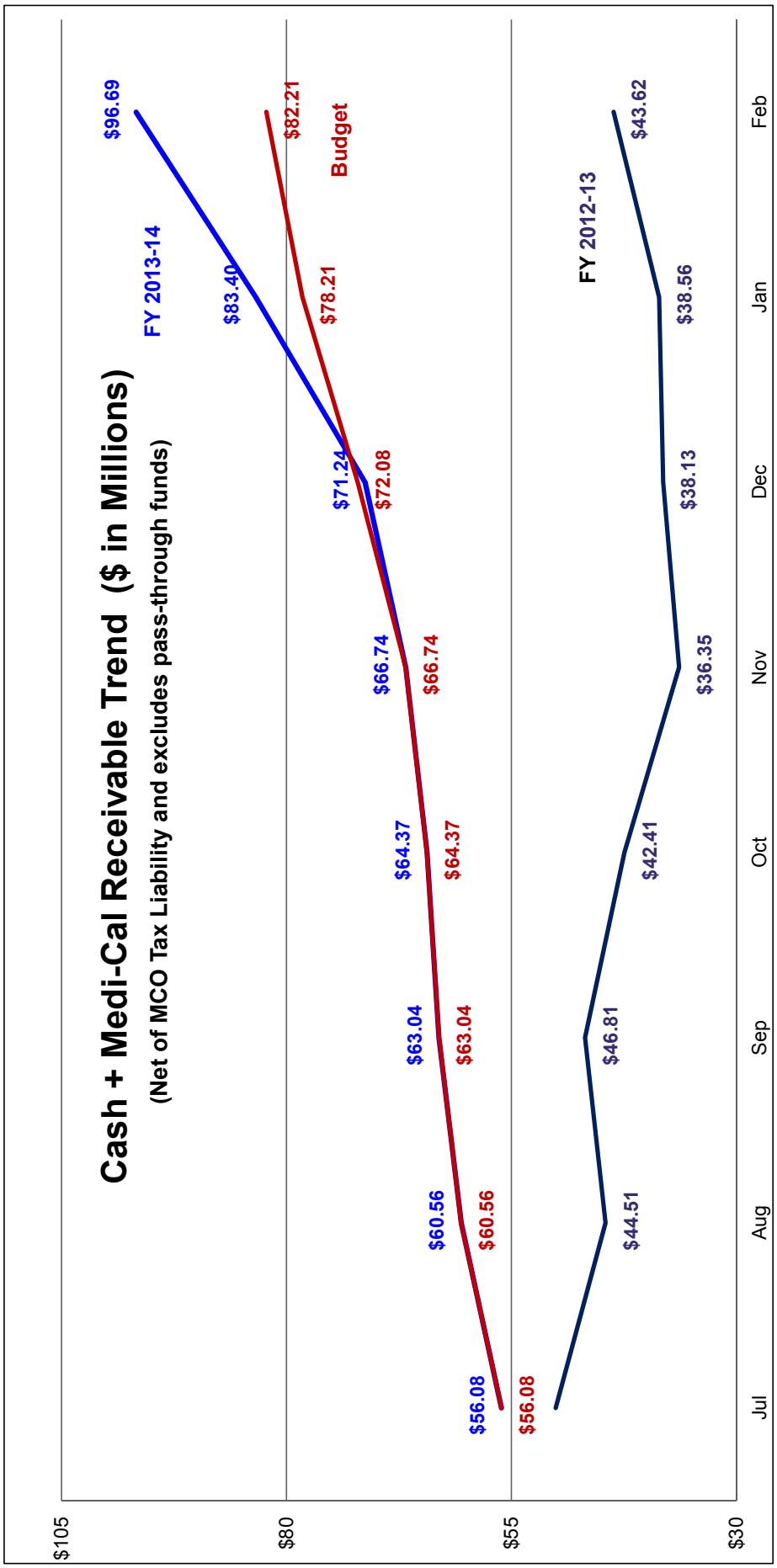
Comparative Balance Sheet

	2/28/14	1/31/14	12/31/13	Audited FY 2012-13
ASSETS				
Current Assets				
Total Cash and Cash Equivalents	**$ 68,790,390**	**$ 44,343,991**	**$ 41,943,461**	**$ 50,817,760**
Medi-Cal Receivable	52,050,271	53,691,874	42,410,897	11,683,076
Provider Receivable	425,870	440,215	800,343	1,161,379
Other Receivables	178,153	176,385	197,606	300,397
Total Accounts Receivable	**52,654,294**	**54,308,474**	**43,408,847**	**13,144,852**
Total Prepaid Accounts	720,548	763,854	492,191	324,419
Total Other Current Assets	251,438	128,805	97,899	10,000
Total Current Assets	**122,416,670**	**99,545,124**	**85,942,398**	**64,297,030**
Total Fixed Assets	**1,234,241**	**1,204,575**	**1,177,698**	**230,913**
Total Assets	**$ 123,650,911**	**$ 100,749,699**	**$ 87,120,096**	**$ 64,527,943**
LIABILITIES & FUND BALANCE				
Current Liabilities				
Incurred But Not Reported	$ 53,809,826	$ 45,833,232	$ 41,275,305	$ 29,901,103
Claims Payable	6,477,413	6,198,541	5,313,850	9,748,676
Capitation Payable	1,366,703	1,320,783	1,315,435	1,002,623
Physician ACA 1202 Payable	5,271,429	5,167,335	-	-
AB85 Payable	735,137			
Accrued Premium Reduction	1,656,018	1,268,600	842,917	-
Accounts Payable	238,242	147,810	1,406,476	1,751,419
Accrued ACS	1,095,479	65,860	325,466	422,138
Accrued Expenses	1,023,244	1,056,784	745,724	477,477
Accrued Premium Tax	24,146,001	14,585,532	13,118,155	7,337,759
Accrued Interest Payable	33,466	30,714	27,670	9,712
Current Portion of Deferred Revenue	460,000	460,000	460,000	460,000
Accrued Payroll Expense	547,421	561,468	608,361	605,937
Total Current Liabilities	**96,860,378**	**76,696,658**	**65,439,358**	**$ 51,716,843**
Long-Term Liabilities				
Deferred Revenue - Long Term Portion	613,333	651,667	690,000	920,000
Notes Payable	7,200,000	7,200,000	7,200,000	7,200,000
Total Long-Term Liabilities	**7,813,333**	**7,851,667**	**7,890,000**	**8,120,000**
Total Liabilities	**104,673,711**	**84,548,325**	**73,329,358**	**59,836,843**
Beginning Fund Balance	4,691,101	4,691,101	4,691,101	(6,031,881)
Net Income Current Year	14,286,099	11,510,274	9,099,638	10,722,981
Total Fund Balance	**18,977,200**	**16,201,375**	**13,790,738**	**4,691,100**
Total Liabilities & Fund Balance	**$ 123,650,911**	**$ 100,749,699**	**$ 87,120,096**	**$ 64,527,943**

FINANCIAL INDICATORS				
Current Ratio	1.26 : 1	1.3 : 1	1.31 : 1	1.24 : 1
Days Cash on Hand	62	37	49	58
Days Cash + State Capitation Receivable	110	84	99	72
Days Cash + State Capitation Rec (less Tax Liab)	88	70	84	63

Income Statement
For The Eight Months Ended February 28, 2014

	FEB '14 Year-To-Date		Variance
	Actual	Budget	Fav/(Unfav)
Membership (includes retro members)	969,650	969,948	(298)
Revenue			
Premium	$ 251,133,876	$ 247,196,913	$ 3,936,963
Reserve for Rate Reduction	(1,656,018)	(1,334,658)	(321,360)
MCO Premium Tax	(9,525,698)	(9,553,078)	27,380
Total Net Premium	**239,952,160**	**236,309,177**	**3,642,983**
Other Revenue:			
Interest Income	90,476	84,128	6,347
Miscellaneous Income	305,620	306,667	(1,047)
Total Other Revenue	396,095	**390,795**	5,300
Total Revenue	**240,348,255**	**236,699,972**	**3,648,283**
Medical Expenses:			
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	12,423,889	12,462,275	38,387
FFS Claims Expenses:			
Inpatient	39,646,639	42,494,837	2,848,198
LTC/SNF	56,600,286	52,749,556	(3,850,730)
Outpatient	23,824,620	23,295,420	(529,200)
Laboratory and Radiology	1,597,802	1,716,834	119,033
Physician ACA 1202	5,271,429	-	(5,271,429)
Emergency Room	6,134,628	6,167,971	33,343
Physician Specialty	15,306,781	16,122,671	815,890
Mental Health Services	458,293	383,498	(74,795)
Pharmacy	28,910,492	30,825,664	1,915,172
Other Medical Professional	1,199,993	1,154,508	(45,485)
Other Medical Care	3,293	-	(3,293)
Other Fee For Service	15,422,634	15,474,964	52,330
Transportation	653,030	662,972	9,942
Total Claims	195,029,920	191,048,895	(3,981,025)
Medical & Care Management Expense	6,109,944	6,162,638	52,694
Reinsurance	(1,993,000)	(1,097,378)	895,622
Claims Recoveries	(2,125,088)	-	2,125,088
Sub-total	1,991,857	5,065,260	3,073,403
Total Cost of Health Care	**209,445,665**	**208,576,431**	**(869,235)**
Contribution Margin	**30,902,590**	**28,123,541**	**2,779,049**
General & Administrative Expenses:			
Salaries and Wages	4,276,050	4,309,626	33,576
Payroll Taxes and Benefits	1,022,871	1,014,381	(8,489)
Travel and Training	62,871	106,677	43,805
Outside Service - ACS	7,728,510	7,689,899	(38,611)
Outside Services - Other	403,863	306,941	(96,922)
Accounting & Actuarial Services	192,089	156,613	(35,476)
Legal	502,008	361,927	(140,081)
Insurance	94,878	91,897	(2,981)
Lease Expense - Office	217,362	229,363	12,001
Consulting Services	883,301	1,036,818	153,517
Translation Services	30,852	23,559	(7,292)
Advertising and Promotion	24,859	88,507	63,649
General Office	723,335	784,706	61,371
Depreciation & Amortization	52,038	83,449	31,411
Printing	69,735	150,030	80,294
Shipping & Postage	46,465	108,272	61,807
Interest	285,406	263,189	(22,217)
Total G & A Expenses	**16,616,491**	**16,805,854**	**189,363**
Net Income / (Loss)	**$ 14,286,099**	**$ 11,317,688**	**$ 2,968,412**

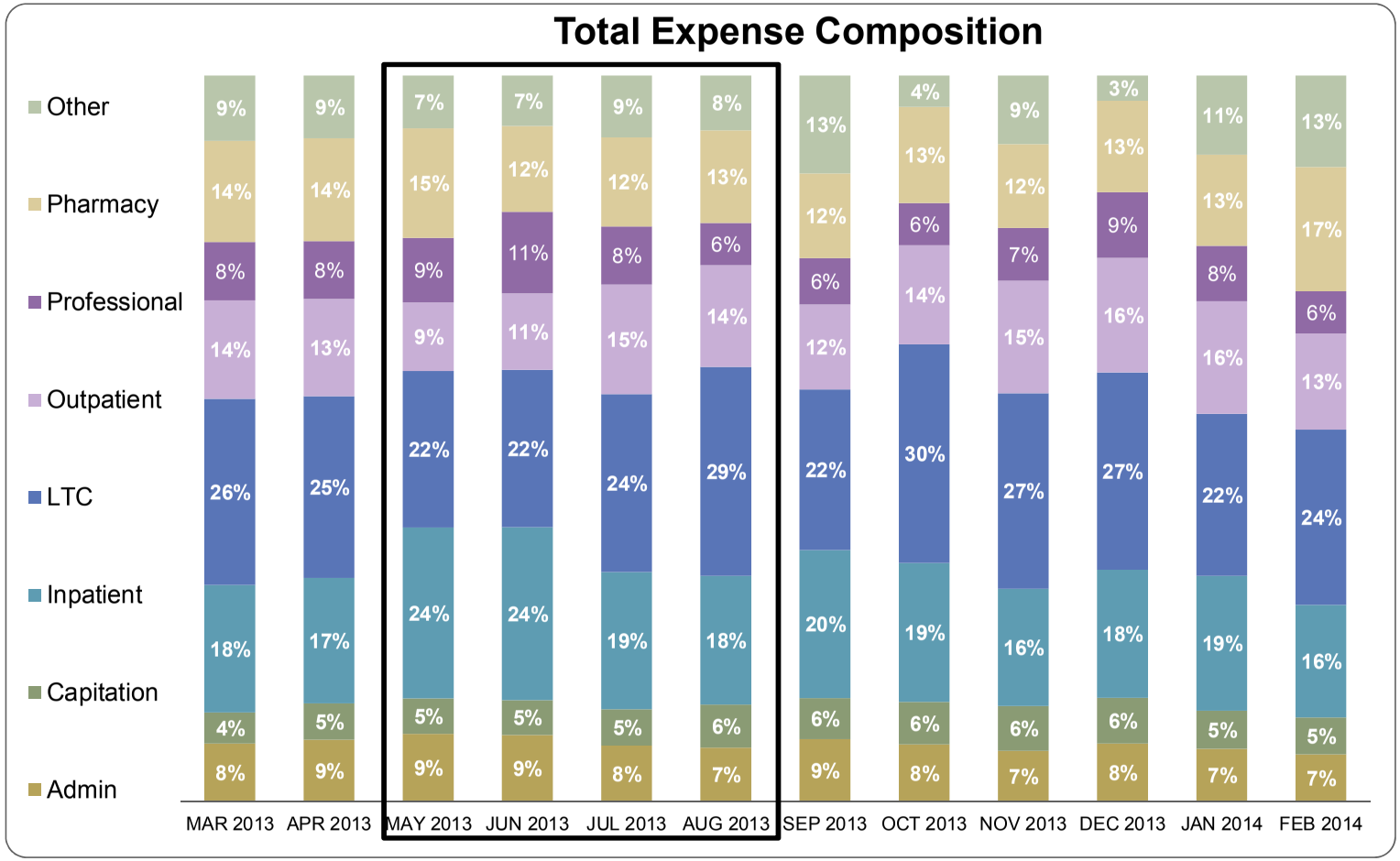

Cash + Medi-Cal Receivable Trend ($ in Millions)
(Net of MCO Tax Liability and excludes pass-through funds)
FY 2013-14
Budget
FY 2012-13
$96.69
$83.40
$71.24
$66.74
$64.37
$63.04
$60.56
$56.08
$82.21
$78.21
$72.08
$66.74
$64.37
$63.04
$60.56
$56.08
$44.51
$46.81
$42.41
$36.35
$38.13
$38.56
$43.62
$105
$80
$55
$30
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb

Statement of Cash Flows - Monthly

	FEB '14	JAN '14	DEC '13	NOV '13	JUN'13
Cash Flow From Operating Activities					
Collected Premium	$ 48,103,931	$ 28,969,167	$ 28,079,945	$ 27,862,839	$ 52,138,834
Miscellaneous Income	14,273	11,688	12,031	8,658	8,594
State Pass Through Funds		50,070		5,691,714	34,346,474
				-	
Paid Claims				-	
Medical & Hospital Expenses	(15,766,152)	(15,055,874)	(17,202,587)	(17,387,071)	(17,277,826)
Pharmacy	(4,420,992)	(5,426,411)	(1,690,164)	(3,787,143)	(4,009,168)
Capitation	(1,601,382)	(1,685,367)	(1,625,829)	(1,521,485)	(1,162,302)
Reinsurance of Claims	(308,946)	(278,035)	(278,975)	(277,386)	(240,430)
State Pass Through Funds Distributed			(5,691,714)	-	(34,346,474)
Paid Administration	(1,509,345)	(4,122,509)	(2,610,933)	(2,494,333)	(2,616,623)
MCO Tax Received / (Paid)	-	-	-	-	829,564
Net Cash Provided/ (Used) by Operating Activities	**24,511,385**	**2,462,729**	**(1,008,225)**	**8,095,794**	**27,670,643**
				-	
Cash Flow From Investing/Financing Activities				-	
Proceeds from Line of Credit				-	-
Repayments on Line of Credit	-	-	-	-	-
Net Acquisition of Property/Equipment	(64,987)	(62,198)	(39,754)	(169,050)	(31,026)
Net Cash Provided/(Used) by Investing/Financing	**(64,987)**	**(62,198)**	**(39,754)**	**(169,050)**	**(31,026)**
Net Cash Flow	**$ 24,446,398**	**$ 2,400,530**	**$ (1,047,979)**	**$ 7,926,744**	**$ 27,639,617**
Cash and Cash Equivalents (Beg. of Period)	44,343,991	41,943,461	42,991,440	35,064,697	23,068,235
Cash and Cash Equivalents (End of Period)	68,790,390	44,343,991	41,943,461	42,991,440	50,817,760
	$ 24,446,398	**$ 2,400,530**	**$ (1,047,979)**	**$ 7,926,744**	**$ 27,749,525**
Adjustment to Reconcile Net Income to Net Cash Flow					
Net (Loss) Income	2,775,825	2,410,637	2,208,708	1,568,798	4,109,976
Depreciation & Amortization	35,321	35,321	34,547	7,015	11,407
Decrease/(Increase) in Receivables	1,654,180	(10,899,627)	(874,196)	(1,544,001)	22,788,941
Decrease/(Increase) in Prepaids & Other Current Ass	(79,327)	(302,569)	851,572	(104,858)	769,972
(Decrease)/Increase in Payables	2,301,865	4,341,958	(6,376,146)	5,901,351	(1,578,838)
(Decrease)/Increase in Other Liabilities	(38,333)	(38,333)	(38,333)	(38,333)	(121,667)
Change in MCO Tax Liability	9,560,469	1,467,377	1,110,666	1,114,454	1,433,012
Changes in Claims and Capitation Payable	324,792	890,038	(507,606)	(812,202)	1,913,029
Changes in IBNR	7,976,594	4,557,927	2,582,563	2,003,570	(1,655,189)
	24,511,385	2,462,729	(1,008,225)	8,095,794	27,670,643
Net Cash Flow from Operating Activities	**$ 24,511,385**	**$ 2,462,729**	**$ (1,008,225)**	**$ 8,095,794**	**$ 27,670,643**

Statement of Cash Flows - YTD

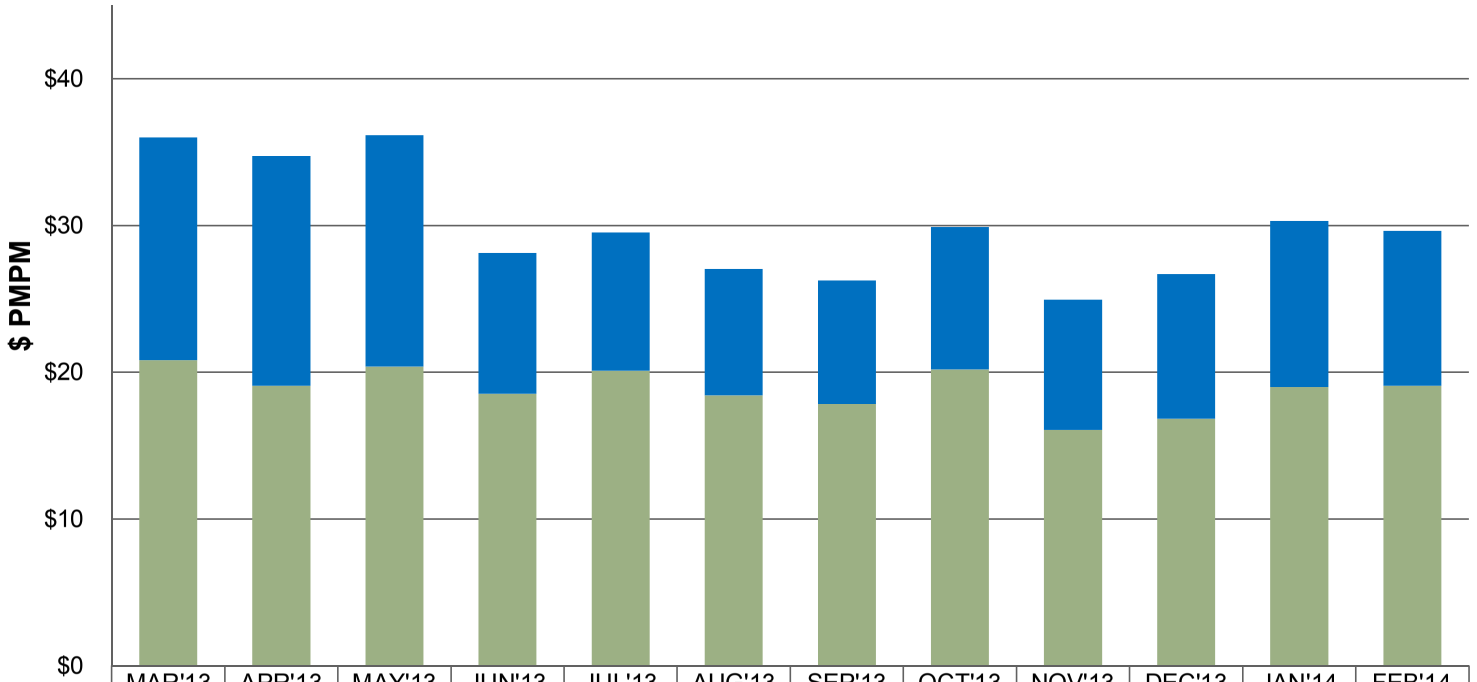
	Feb 2014 YTD
Cash Flow From Operating Activities	
Collected Premium	$ 219,024,883
Miscellaneous Income	90,476
State Pass Through Funds	61,173,953
Paid Claims	
Medical & Hospital Expenses	(135,644,555)
Pharmacy	(28,947,524)
Capitation	(12,037,480)
Reinsurance of Claims	(2,220,531)
State Pass Through Funds Distributed	(59,959,855)
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(21,541,816)
Repay Initial Net Liabilities	-
MCO Taxes Received / (Paid)	(826,566)
Net Cash Provided/(Used) by Operating Activities	**19,110,985**
Cash Flow From Investing/Financing Activities	
Proceeds from Line of Credit	-
Repayments on Line of Credit	-
Net Acquisition of Property/Equipment	(1,138,355)
Net Cash Provided/(Used) by Investing/Financing	**(1,138,355)**
Net Cash Flow	**$ 17,972,630**
Cash and Cash Equivalents (Beg. of Period)	50,817,760
Cash and Cash Equivalents (End of Period)	68,790,390
	$ 17,972,630
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income/(Loss)	14,286,099
Depreciation & Amortization	136,182
Decrease/(Increase) in Receivables	(39,509,442)
Decrease/(Increase) in Prepaids & Other Current Assets	(637,568)
(Decrease)/Increase in Payables	7,333,754
(Decrease)/Increase in Other Liabilities	(307,821)
Change in MCO Tax Liability	16,808,241
Changes in Claims and Capitation Payable	(2,907,184)
Changes in IBNR	23,908,723
	19,110,985
Net Cash Flow from Operating Activities	**$ 19,110,985**



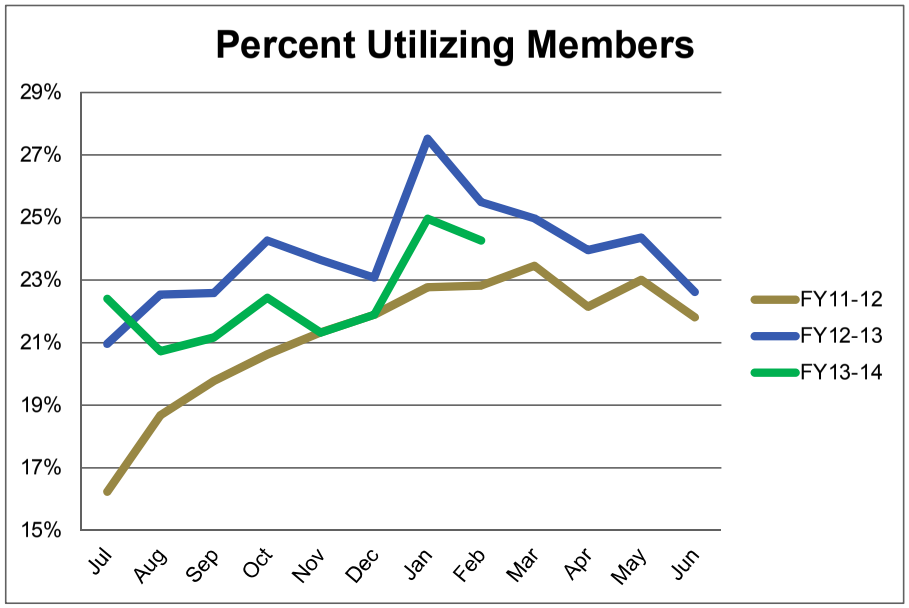
In May 2013, GCHP changed its method of distributing Health Care Costs (HCC) across categories of service. Prior months utilized an allocation methodology. The methodology was updated to utilize payment information by different categories of services. Further changes have been made with the assumption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

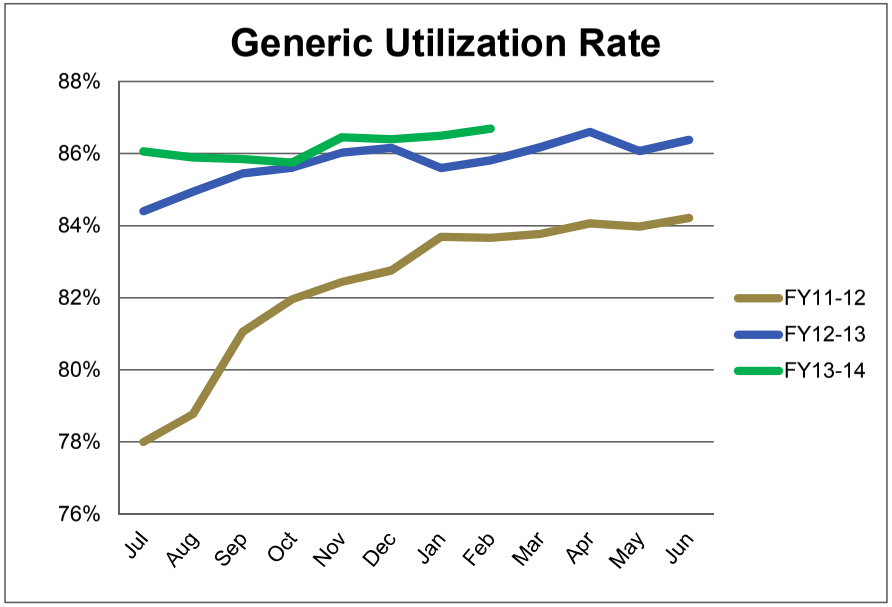
Beginning January 2014, "Other" category includes ACA 1202 physician supplement and mental health expenses.

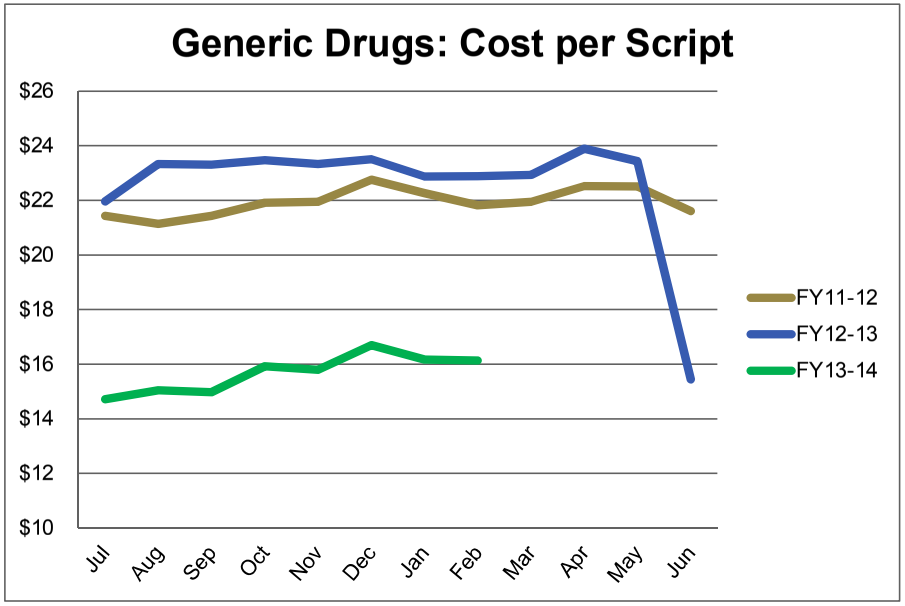
Pharmacy Cost Trend

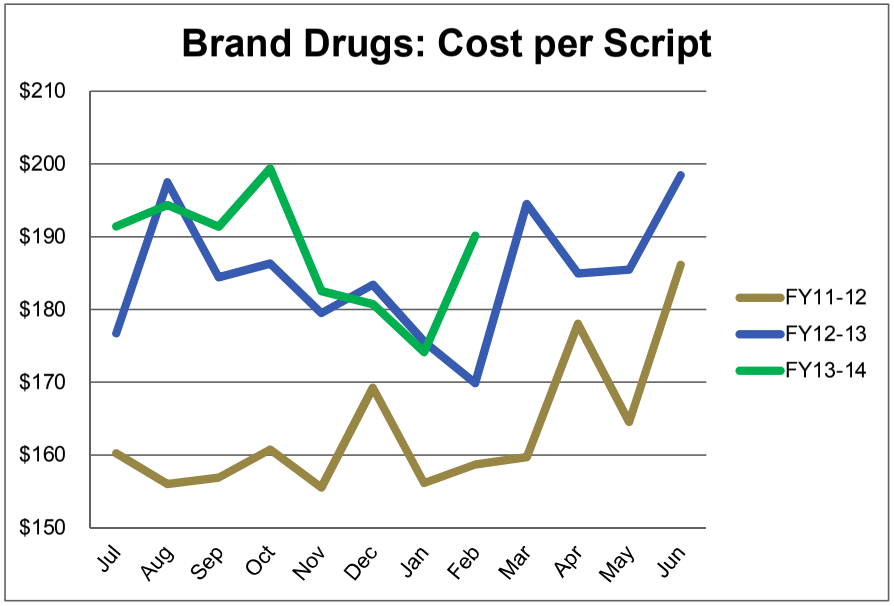


	MAR'13	APR'13	MAY'13	JUN'13	JUL'13	AUG'13	SEP'13	OCT'13	NOV'13	DEC'13	JAN'14	FEB'14
AVG PMPM	$35.99	$34.74	$36.15	$28.12	$29.53	$27.04	$26.24	$29.90	$24.94	$26.70	$30.30	$29.63
GENERIC	$15.16	$15.66	$15.78	$9.58	$9.43	$8.62	$8.41	$9.71	$8.87	$9.87	$11.30	$10.55
BRAND	$20.82	$19.08	$20.38	$18.54	$20.10	$18.41	$17.83	$20.19	$16.07	$16.82	$19.00	$19.08


Percent Utilizing Members
29%
27%
25%
23%
21%
19%
17%
15%
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY11-12
FY12-13
FY13-14


Generic Utilization Rate
88%
86%
84%
82%
80%
78%
76%
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY11-12
FY12-13
FY13-14


Generic Drugs: Cost per Script
$26
$24
$22
$20
$18
$16
$14
$12
$10
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY11-12
FY12-13
FY13-14


Brand Drugs: Cost per Script
$210
$200
$190
$180
$170
$160
$150
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY11-12
FY12-13
FY13-14

AGENDA ITEM 3a

To: Gold Coast Health Plan Commission

From: Michael Engelhard, CEO

Date: April 28, 2014

Re: State of California Contract Amendments 11

SUMMARY:
Gold Coast Health Plan received contract amendment A11 from the Department of Health Care Services (DHCS) on March 20, 2014. The contract amendment adjusts the 2013-2014 capitation rates and the Optional Targeted Low-Income Child Member rates by changing Exhibit B. The amendment is effective July 1, 2013. The amounts and effective dates reflected in each category are impacted by various adjustments and new legislation.

BACKGROUND / DISCUSSION:

1. Traditional Medi-Cal Rates – FY 2013-14
   Amendment 11 breaks the FY into two time periods.
   - 07/01/13-12/31/13 rates have been updated to:
     - Reflect new tax rate (3.9375%) pursuant to SB 78
     - Reflect AB 97 reductions
     - Include Affordable Care Act (ACA) §1202 payments and related tax
     - Utilize new Dual definition
     - Combine Aged & Disabled Non-Dual into one rate cell
   - 01/01/14-06/30/14 rates equal the 07/01/13-12/31/13 rates with adjustments for:
     - Removing ACA §1202 payments and related tax
     - Adding in the new Mental Health Benefit
   - *Note – GCHP / DHCS are working together to update FY 2013-14 rates for CBAS*

2. TLIC Rates – 01/01/14-06/30/14 – New Mental Health Benefit has been added

3. Adult Expansion Rates - No changes to Adult Expansion rate (rate at 75th percentile of rate range for AB 85)

FISCAL IMPACT:
The revised State capitation rates for FY 2013-14 are expected to cover the costs associated with the above program changes. The costs for Medi-Cal expansion and the integration of mental health and substance use benefits are expected to be covered by new rates established by DHCS.

RECOMMENDATION:
Staff is recommending the Commission approve contract amendment A11 and authorize the CEO to execute the DHCS contract amendment.

CONCURRENCE:
N/A.

Attachments:
None.

AGENDA ITEM 4a

To: Gold Coast Health Plan Commission

From: Michael Engelhard, CEO

Date: April 28, 2014

Re: CEO Update

ACA 1202 Payments

GCHP received the initial Affordable Care Act (ACA) Section 1202 payment from the State in early February and made the first payment to qualifying providers during the last week of March. The qualifying providers were those who attested with the State and submitted required documentation to GCHP. The initial payment was based on claims and encounters with dates of service between January 1, 2013 and June 30, 2013, to align with the time period for which GCHP received revenue from the State. The checks were accompanied by an explanation of payment enabling the providers to reconcile to the prior claims and encounters. There was a delay in getting the payments out to the providers due to the need to analyze the impact of the recently released reconciliation process (which was provided in detail during a February 11, 2014 meeting) and the need to perform additional validations since this was the first payment to the providers. GCHP's goal is to get the payments out within 30 days of receiving the revenue from the State.

Managed care plans are currently working with DHCS to finalize payment methodologies, which are set according to one of three methods. Any method adopted by DHCS must ultimately be approved by the federal Centers for Medicare and Medicaid Services (CMS). The current, approved methodology (i.e., Methodology #2) is being reviewed because the managed care plans expressed great concerns after the State clarified that the plans may not be reimbursed for all required payments made to providers. The State is evaluating if it is possible to change to a different payment methodology,(#1) one in which the managed care plans only receive the initial payment in the capitation rates and no reconciliation is performed. GCHP has evaluated that there is potentially less risk for underpayment from the State using CMS Method #1. A switch to Methodology #1 would require a change to the State Plan Amendment (SPA).

Managed care plans are debating which reimbursement method will result in the least risk for plans while ensuring that providers receive payments at the Medicare equivalent level pursuant to the federal regulation. GCHP supports Methodology #1, and is joined in that support by the majority of California health plans. GCHP intends to distribute additional funding to providers pending further guidance from both DHCS and CMS.

IGT

GCHP and the County of Ventura met in March to begin initial discussions about the FY 2012-13 Intergovernmental Transfer (IGT). The IGT is an arrangement between the State, County of Ventura, and GCHP that supplies additional federal matching funds. It is expected that the IGT will be structured similar to the FY 2011-12 IGT. GCHP is waiting for further guidance from the State regarding contract documents, funding levels, and timing.

Office Relocation

Over the weekend of April 5-6, 2014 Gold Coast Health Plan consolidated its two sites and successfully moved to its new office location at 711 E. Daily Drive in Camarillo. The move was the culmination of a five month project that included the installation of a new computer network, phone system, and electronic access and security alarm system. The move went extremely well and staff is pleased with the new work environment, which brings everyone back into a single location.

Community Resource Fair

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

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

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

For more information about the GCHP Community Resource Fair and how to register your agency please contact GCHP Health Education Department at Outreach@goldchp.org.

GOVERNMENT AFFAIRS UPDATE.

Meeting with Camarillo City Manager

GCHP's CEO and Director of Government Affairs met with Camarillo City Manager, Bruce Feng. The purpose of this meeting was to introduce GCHP to Mr. Feng and discuss the public transportation needs of GCHP's members. Mr. Feng agreed to work collaboratively

with GCHP staff to identify ways to address issues surrounding the areas of public transportation and the transit needs of GCHP's members.

Dental Benefit Expansion

The Denti-Cal partial restoration of benefits will begin on May 1, 2014 for adult Medi-Cal beneficiaries ages 21 and older who have full scope Medi-Cal. Restored benefits include basic preventive, diagnostic, and restorative services as well as complete full dentures.

In January 2014 DHCS began notifying Medi-Cal beneficiaries regarding the restoration of dental benefits through quarterly mailings.

Medi-Cal Eligibility / Enrollment Backlog

Media reports indicate a backlog of approximately 800,000 California residents, who applied for Medi-Cal under ACA expansion of eligibility, are still awaiting approval due to software glitches. The state system that confirms eligibility is the source of these errors; however the state does not yet have a timeframe for when the software and backlog issues will be resolved.

Thus potential Medi-Cal eligible Ventura County residents who have applied for coverage may not currently be enrolled in GCHP. DHCS has indicated that these individuals may access care through the Medi-Cal fee-for-service program until they are formally enrolled in GCHP. In the interim, DHCS has provided information on its website indicating where these individuals may receive medical care while this situation is being resolved.

ICD 10 Implementation Delay- H.R. 4302: Protecting Access to Medicare Act of 2014

On April 1, 2014 President Obama signed into law HR 4302, the so-called "doc fix" as it is commonly known, which delays for another 12 months a 24 percent cut to Medicare physician reimbursement rates. The bill also delays the deadline to implement the new ICD-10 diagnostic and procedure code sets by one year to October 1, 2015. Other provisions enacted into law include:

- Delays implementation of the hospital two-midnight rule until March 2015.
- Provides higher Medicare payments to hospitals and ambulance services in rural areas.
- Extends Medicaid Disproportionate Share Hospital (DSH) cuts to 2024 and modifies DSH allotments.
- Delays enactment of the Medicaid Third Party Liability provision for two years.
- Implements a $2 billion payment reduction over 10 years to skilled nursing providers.
- Establishes two new mental health grant programs, one of which would receive $60 million over four years to improve outpatient treatment for individuals with serious mental illness.

U.S. Secretary of Health and Human Services

Sylvia Mathews Burwell has been nominated to replace Kathleen Sebelius, who resigned as U.S. Secretary of Health and Human Services on April 10, 2014. Burwell must still receive Senate confirmation.

Legislature and Legislation

The State legislature is in the second year of a two-year session which ends on August 31, 2014. On or about May 9, 2014, the Governor is expected to release his revised state budget. GCHP's government affairs department will provide the GCHP Commission an analysis of the revised state budget as it becomes available.

The deadline for policy committees to hear and report to fiscal committees bills introduced in their house is May 6, 2014. The deadline for policy committees to hear and report to non-fiscal committees bills introduced in their house is May 13, 2014.

Chaptered Legislation

AB 369 **(Pan D) California Health Benefit Exchange: Report.**
Chapter 4, Statutes of 2014.
Summary: This bill requires continuity of care coverage for treatment of services for individuals in the Exchange whose health plan or policy was cancelled between January 1, 2013, and March 31, 2014.

AB 1124 **(Muratsuchi) Medi-Cal: reimbursement rates.**
Chapter 8, Statutes of 2014.
Summary: This bill extends the deadline that DHCS has to develop a new rate methodology for Medi-Cal laboratory services. It also extends the duration of the exemption for laboratory providers from having to comply with the Medi-Cal "comparable price" regulation until July 1, 2015.

Pending Legislation

AB 900 **(Alejo D) Medi-Cal: reimbursement: distinct part nursing facilities.**
Summary: This bill requires that the 10% reduction for service of payment for Medi-Cal provider payments and payments for specified non-Medi-Cal programs not apply to skilled nursing facilities for dates of service on or after July 1, 2013.

AB 1541 **(Waldron R) Medi-Cal: hospital reimbursement.**
Summary: This bill maintains the legislative intent to have a method for reimbursing hospitals for inpatient and outpatient services provided to Medi-Cal beneficiaries. It only makes technical changes.

AB 1560 **(Gorell R) California Health Benefit Exchange: confidentiality of personal information.**
Summary: This bill prohibits the Exchange from disclosing an individual's personal information, as defined, to 3rd parties for the purpose of determining eligibility for, or enrolling the individual in health care coverage unless the Exchange obtains prior written consent. The bill would also require the Exchange to immediately notify the public of any breach of the security of personal information created, collected, or maintained by the Exchange, regardless of the severity of the breach.

AB 1703 **(Hall) In-home supportive services: reading services for blind and visually impaired residents.**
Summary: This bill would add reading assistance services to covered benefits under the In-Home Supports and Services program to beneficiaries who are blind or visually impaired.

AB 1771 **(Perez) Telephonic and electronic patient management services.**
Summary: This bill would classify physician telephonic and electronic patient management services as telehealth services, as defined, and therefore would require a health care service plan to cover and reimburse those services at the same level as face-to-face patient encounters.

AB 1805 **(Skinner): Medi-Cal: Provider Reimbursements.**
Summary: This bill would prohibit the application of the 10% reduction for payments to providers for dates of service on or after June 1, 2011.

AB 1814 **(Waldron) Prescriber Prevails Act**
Summary: Proposes that any drug prescribed by a provider in one of five therapeutic categories must be covered by Medi-Cal managed care plans. The bill also contains language allowing DHCS to carve out these drugs and reduce a plan's contract rate accordingly.

AB 1868 **(Gomez) Medi-Cal: Podiatric Medicine.**
Summary: This bill would make podiatric services a covered benefit under the Medi-Cal program. Covered benefits would include all medical and surgical services provided by a podiatrist.

AB 2015 **(Chau) Health care coverage: discrimination.**
Summary: This bill would prohibit any health care service plan or health insurer from discriminating against any health care provider who is acting within the scope of that provider's license or certification.

AB 2025 (Dickenson): Medi-Cal: program for aged and disabled persons.
Summary: This bill increases the income threshold for calculating eligibility for the Medi-Cal Aged and Disabled (A&D) Program, up to 138% of the federal poverty level (FPL).

AB 2051 (Gonzalez D) Medi-Cal: providers: affiliate primary care clinics.
Summary: If DHCS has not provided specified written notice of application status within 15 days of receiving an application from an affiliate primary care clinic, this bill would require the department to approve the application automatically. Additionally, if no conditions have been imposed on the provider within 15 days of the application approval, the provider is approved to participate in specified public health programs.

AB 2325 (Perez) Medi-Cal – CommuniCal.
Summary: This bill requires DHCS to establish the Medi-Cal Patient-Centered Communication Program (CommuniCal). The Program would be administered by a 3rd-party administrator, commencing July 1, 2015. It would provide medical interpretation services to Medi-Cal beneficiaries who are limited English proficient (LEP). A fund in the State Treasury dedicated to the CommuniCal Program would be established to fund the Program.

AB 2400 (Ridley-Thomas): Health care coverage: physician contracts.
Summary: This bill **p**rohibits contracts between a physician or physician group and a health plan from including any provision that requires a physician to participate in any product that provides different rates, methods of payment, or lines of business unless that participation is negotiated and agreed to between the health plan and the physician.

AB 2418 (Bonilla) Mail order / Refills.
Summary: This bill prohibits a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2015, that provides prescription drug benefits, from denying coverage for the refill of an otherwise covered drug when the refill is ordered for the purpose of placing all of the enrollee's or insured's medications on the same schedule for refill.

AB 2533 (Ammiano) Noncontracting hospitals.
Summary: Existing law prohibits a non-contracting hospital from billing a patient who is an enrollee of a health care service plan for post stabilization care, except for applicable copayments, coinsurance, and deductible. This bill would make technical, no substantive changes to these provisions.

SB 491 **(Hernandez D) Nurse Practitioners**
Summary: This bill would authorize a nurse practitioner to perform without physician supervision certain acts that nurse practitioners are authorized to practice in consultation with a physician under current law, if the nurse practitioner meets specified experience and certification requirements.

SB 780 **(Jackson D) Health care coverage.**
Summary: This bill would delete the requirement with regard to preferred provider organizations. The bill would change the timing of the 75-day filing to 45 days prior to contract termination between a health care service plan and a provider group or general acute care hospital, and would not prohibit the plan from notifying enrollees prior to filing before being reviewed and approved by the Dept. of Managed Health Care.

SB 964 **(Hernandez D) Health care service plans: medical surveys.**
Summary: This bill requires county organized health systems to comply with timeliness standards and reporting procedures adopted by the Department of Managed Health Care. The bill also requires the department to create a standard reporting template for this purpose and eliminates the requirement that the department make recommendations for changes to protect enrollees based on findings.

SB 986 **(Hernandez D) Medi-Cal: managed care: exemption from plan enrollment.**
Summary: This bill requires that a Medi-Cal beneficiary who has received a medical exemption from enrollment in a Medi-Cal managed care plan and who is to receive or has received transplant(s) receive an extension of the exemption for up to 12 months if the treating physician determines it medically necessary. The extension will be reassessed at the end of each 12 month period.

SB 1002 **(De Leon D) Medi-Cal: redetermination.**
Summary: Under this bill, when a beneficiary is determined eligible to receive CalFresh benefits, the county would be required to begin the new 12-month eligibility period on a date that would align the beneficiary's Medi-Cal eligibility with his household CalFresh certification period.

SB 1005 **(Lara D) Health care coverage: immigration status.**
Summary: This bill would extend full-scope Medi-Cal eligibility to individuals who are otherwise eligible except for immigration status. The bill also creates the California Health Exchange Program for All Californians to mimic the California Health Benefit Exchange, but to facilitate enrollment into qualified health plans for individuals who are ineligible for the Exchange due to immigration status.

SB 1053 **(Mitchell) Contraceptives.**
Summary: This bill requires health care service plans to provide coverage for all FDA approved contraceptive drugs, devices, and products in each contraceptive category outlined by the FDA. This bill would also prohibit a plan or insurer from requiring a prescription to trigger coverage of FDA approved over-the-counter contraceptive methods and supplies.

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

SB 1124 **(Hernandez) Medi-Cal: estate recovery.**
Summary: This bill amends the Medi-Cal estate recovery program. Among other things, the amendments require DHCS to only collect for health care services actually received by a beneficiary and require DHCS to provide a current or former beneficiary with the total amount of Medi-Cal expenses that have been paid on behalf of the beneficiary that would be subject to estate recovery.

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

SB 1276 **(Hernandez) Fair Billing Practices**
Summary: Existing law requires that specified patients with high medical costs be eligible for discount payments to an emergency physician. This bill would change the definition of a person with high medical costs to include those persons who receive a discounted rate from the hospital as a result of 3rd party coverage, both in Medi-Cal and through the Exchange.

SB 1340 **(Hernandez) Health care coverage: provider contracts.**
Summary: This bill prohibits plan-provider contracts from limiting publication of information related to the cost ranges of procedures. Plans or providers would be given at least 30 days to review the data used to come to cost conclusions. This bill intends increase transparency in the healthcare industry between providers, insurers and consumers.

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

SB 1465 **(Committee on Health) Health.**
Summary: In its current form, this bill would relocate requirements regarding bridge plan products to a different chapter of law and make related technical, non-substantive changes. The bill also makes changes to Medi-Cal notification requirements for an enrollee at a new location.

AGENDA ITEM 4b

To: Gold Coast Health Plan Commission

From: Ruth Watson, Chief Operating Officer

Date: April 28, 2014

Re: COO Update

OPERATIONS UPDATE

ACA-Health Care Reform and Medicaid Expansion

Membership

Membership has grown significantly for the Plan since January with an addition of 21,249 new members – 6,811 in April. In addition to a growth of 2,486 traditional Medi-Cal members, GCHP has welcomed 18,763 members due to ACA and Medi-Cal expansion – 8,134 from the ACE/LIHP program, 4,514 new Medi-Cal Expansion members and 6,115 members from the state's outreach to CalFRESH beneficiaries. Total enrollment as of April was approximately 141,000.

Pending Eligibility

ACE/LIHP

The ACE/LIHP program has identified approximately 800 beneficiaries who have not transitioned to GCHP. The state has advised the plan that these members will move at the time of their annual renewal. We continue to work with the County Human Services Agency (HSA) and the ACE/LIHP program to monitor this population

Temporary Eligibility for Medi-Cal Pending Cases

Due to the significant number of MAGI Medi-Cal (MC) applications received through the Covered California portal, many cases were placed in a pending status due to verification reasons. The Department of Health Care Services (DHCS) took administrative action to provide temporary MC eligibility for individuals who have submitted online applications through Covered California on or before December 14, 2013, but required counties to complete the necessary administrative verifications. Administrative verifications could include state residency, citizenship, immigration status and income.

The '8E' aid code was used for both adults and children for this population. In March, GCHP had 3,228 members remaining in a pending 8E status – 524 became active in April and 2764 remain on the Plan's eligibility roster as "on hold" and active for MC fee for service (FFS) pending transition to GCHP by the State.

Mental Health Benefit

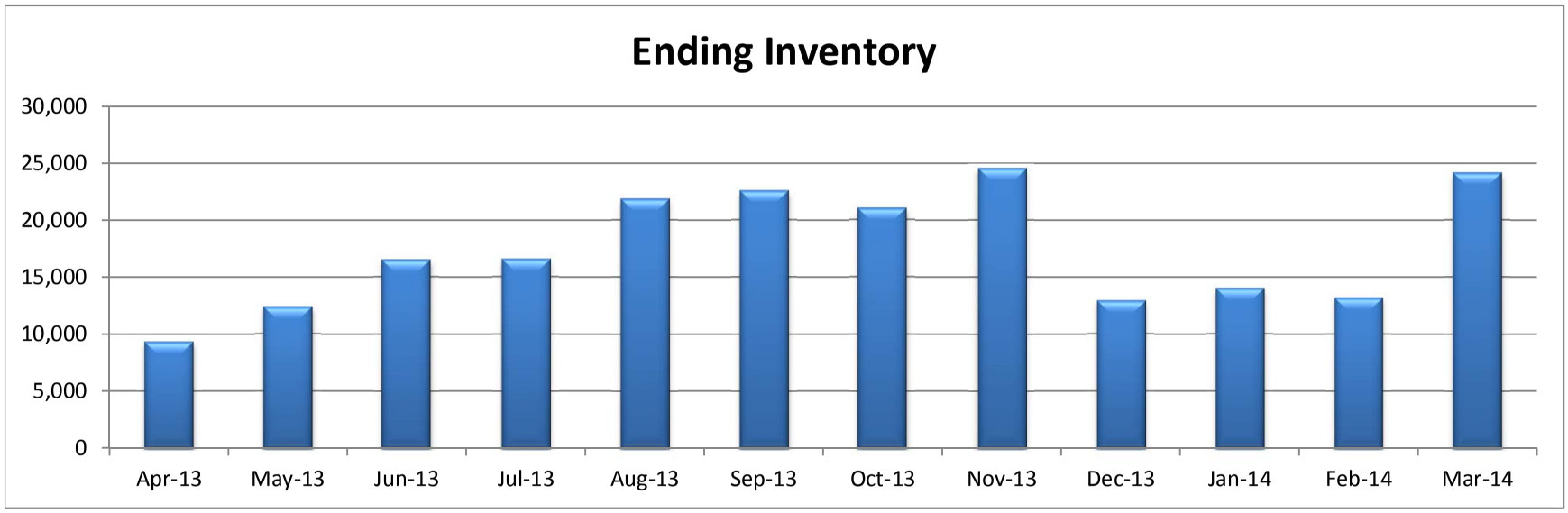
GCHP's contracted behavioral health management organization (BHMO), Beacon Health Strategies (Beacon) received 1231 combined member and provider calls with an average speed to answer of 11 seconds for the first quarter of 2014.

Over 300 members have been referred for mild to moderate behavioral health services since January. GCHP's Medical team continues to work collaboratively with Beacon and County Mental Health to insure successful and appropriate transfers to the County Mental Health program for higher acuity mental health services.

Beacon has established a contracted network of 251 providers for delivery of behavioral health services to GCHP's members.

MARCH OPERATIONS REPORTS ATTACHED:

Claims Inventory Summary



Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
9,350	12,385	16,554	16,601	21,894	22,590	21,051	24,585	12,924	13,999	13,201	24,185

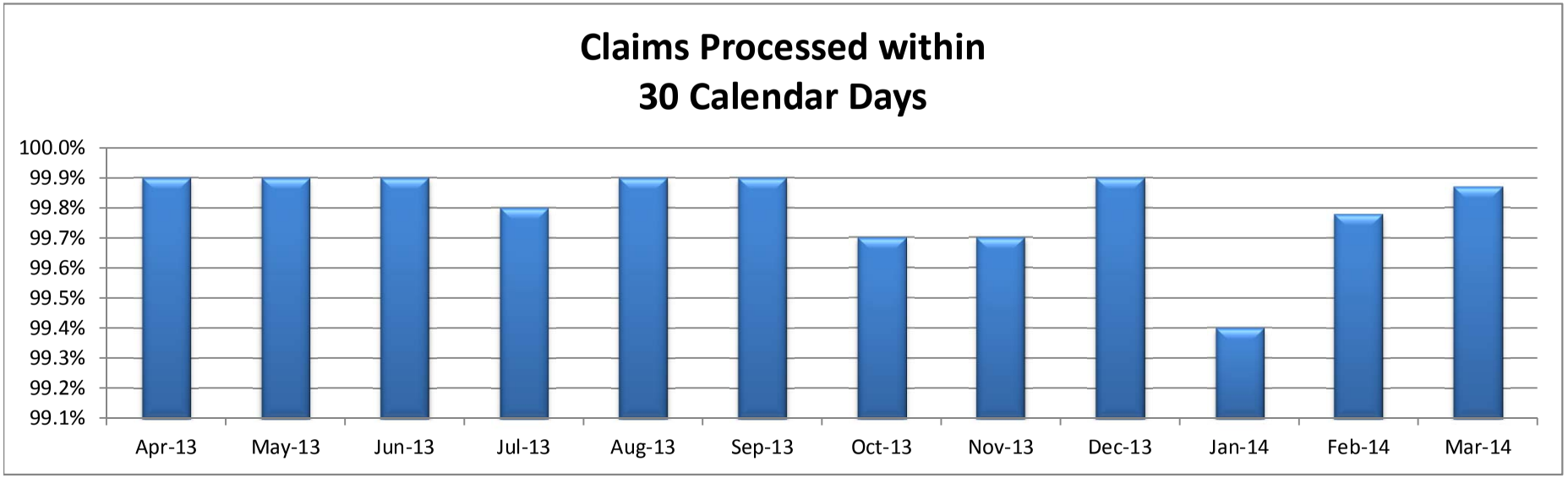
Goal: 21,000 or less (based on membership as of March 2014)

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

Note 2: March 2014 increase reflects increased membership, claim seasonality and claim submission lag. Xerox added additional staff in January but higher membership and resulting claim volume is higher than anticipated. Xerox is adding seven additional positions in response.

Claims Processing Turnaround Time

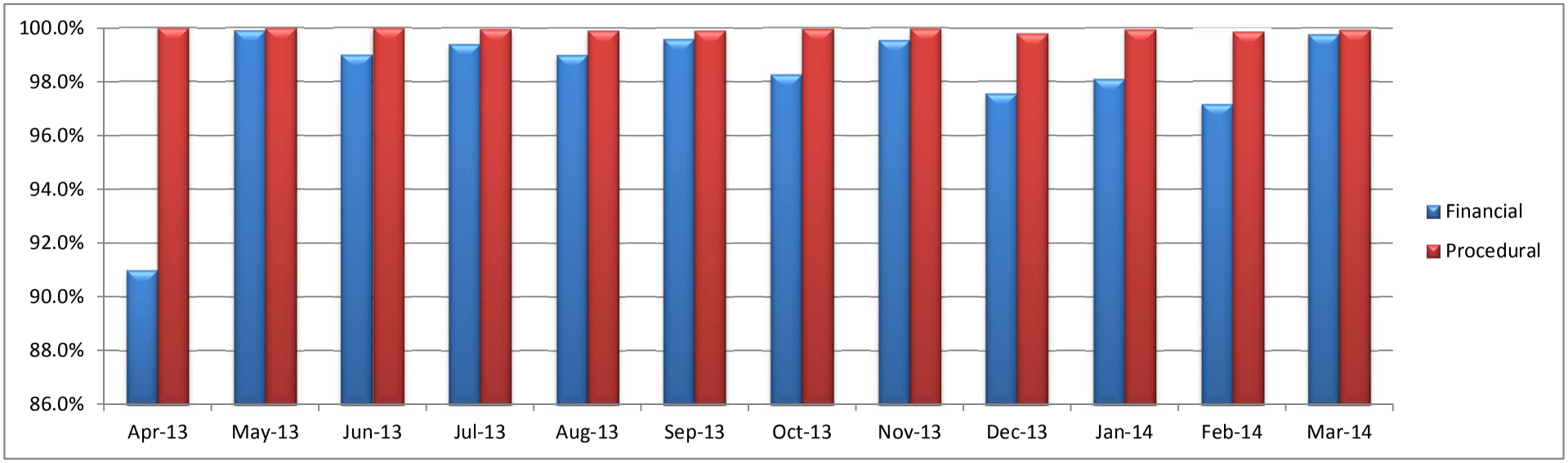
Mar-14	1-30 Days		31-45 Days		46-60 Days		Over 60 Days		Total Claims
	#	%	#	%	#	%	#	%	
Clean Claims	97,221	99.87	97	0.1	6	0.01	23	0.02	97,347
Contested Claims	1,812	99.72	4	0.22	1	0.06	0	0	1,817
Total Claims	99,033	99.87	101	0.1	7	0.01	23	0.02	99,164



Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
99.9%	99.9%	99.9%	99.8%	99.9%	99.9%	99.7%	99.7%	99.9%	99.4%	99.8%	99.9%

Regulatory requirement - 90% of clean claims must be processed within 30 calendar days

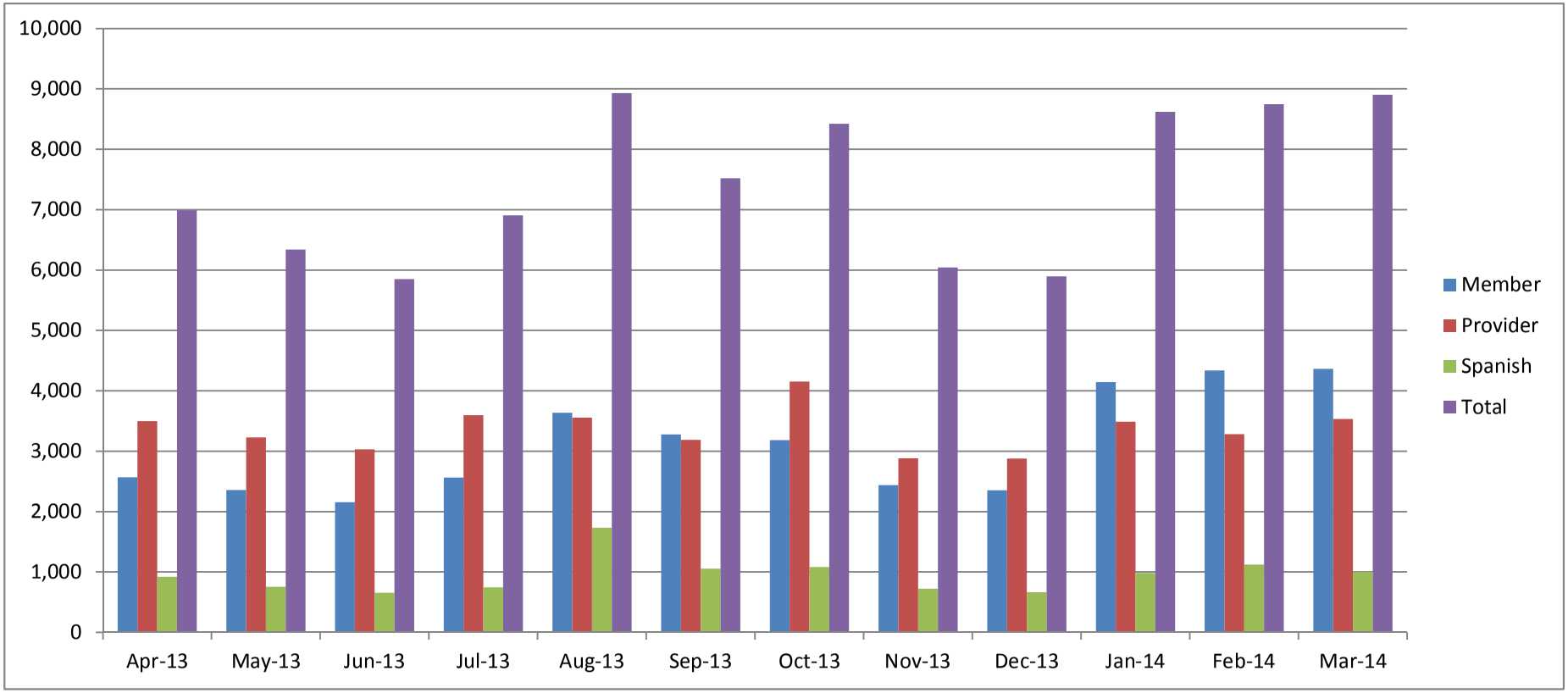
Claims Processing Accuracy



	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Financial	91.0%	99.9%	99.0%	99.4%	99.0%	99.59%	98.27%	99.54%	97.56%	98.10%	97.16%	99.77%
Procedural	100.0%	100.0%	100.0%	99.95%	99.9%	99.9%	99.96%	99.97%	99.79%	99.94%	99.85%	99.93%

Goal:
Financial - 98% or higher
Procedural - 97% or higher

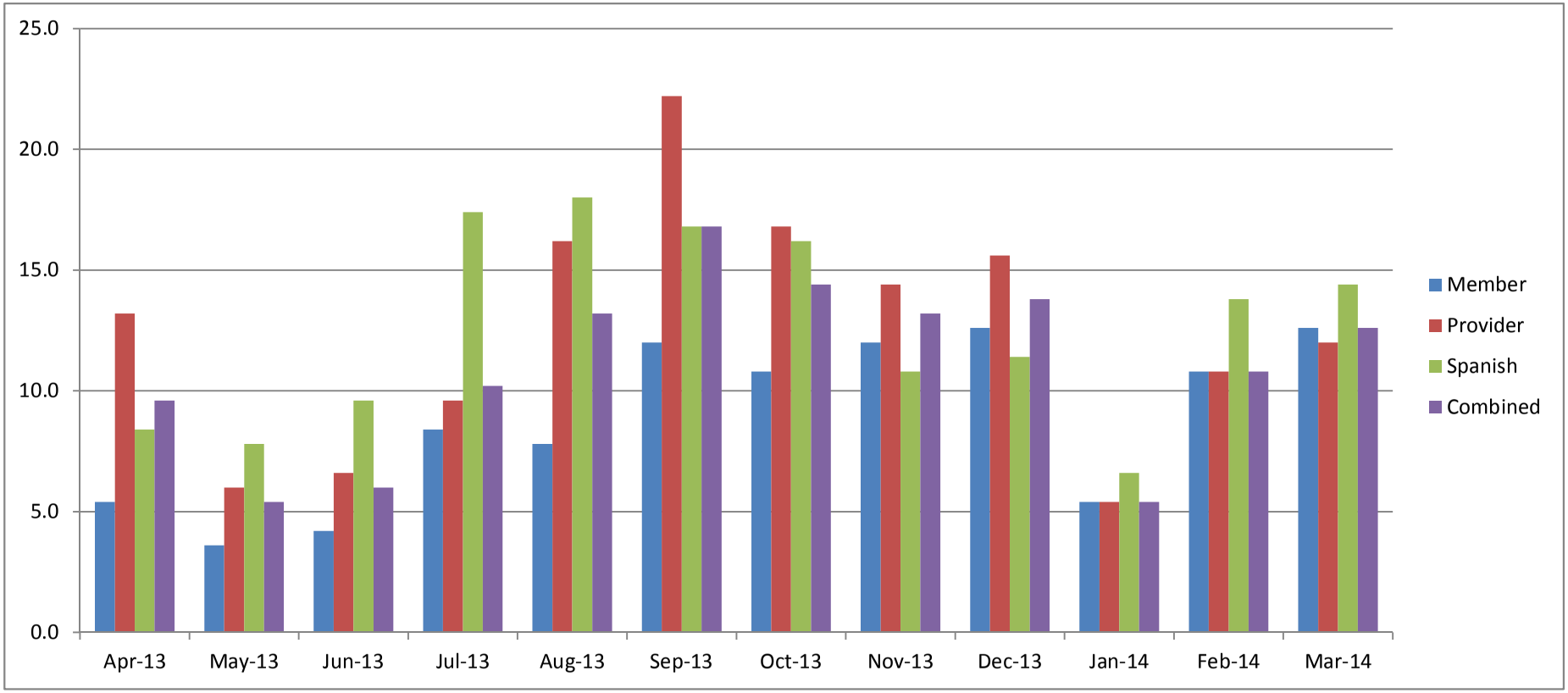
Xerox Call Center Volume



	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Member	2,570	2,356	2,157	2,562	3,639	3,276	3,185	2,439	2,354	4,143	4,339	4,365
Provider	3,500	3,230	3,033	3,596	3,556	3,190	4,155	2,881	2,877	3,491	3,282	3,534
Spanish	921	755	658	748	1,734	1,055	1,082	724	664	986	1,123	1,004
Total	6,991	6,341	5,848	6,906	8,929	7,521	8,422	6,044	5,895	8,620	8,744	8,903

Xerox Call Center Average Speed to Answer

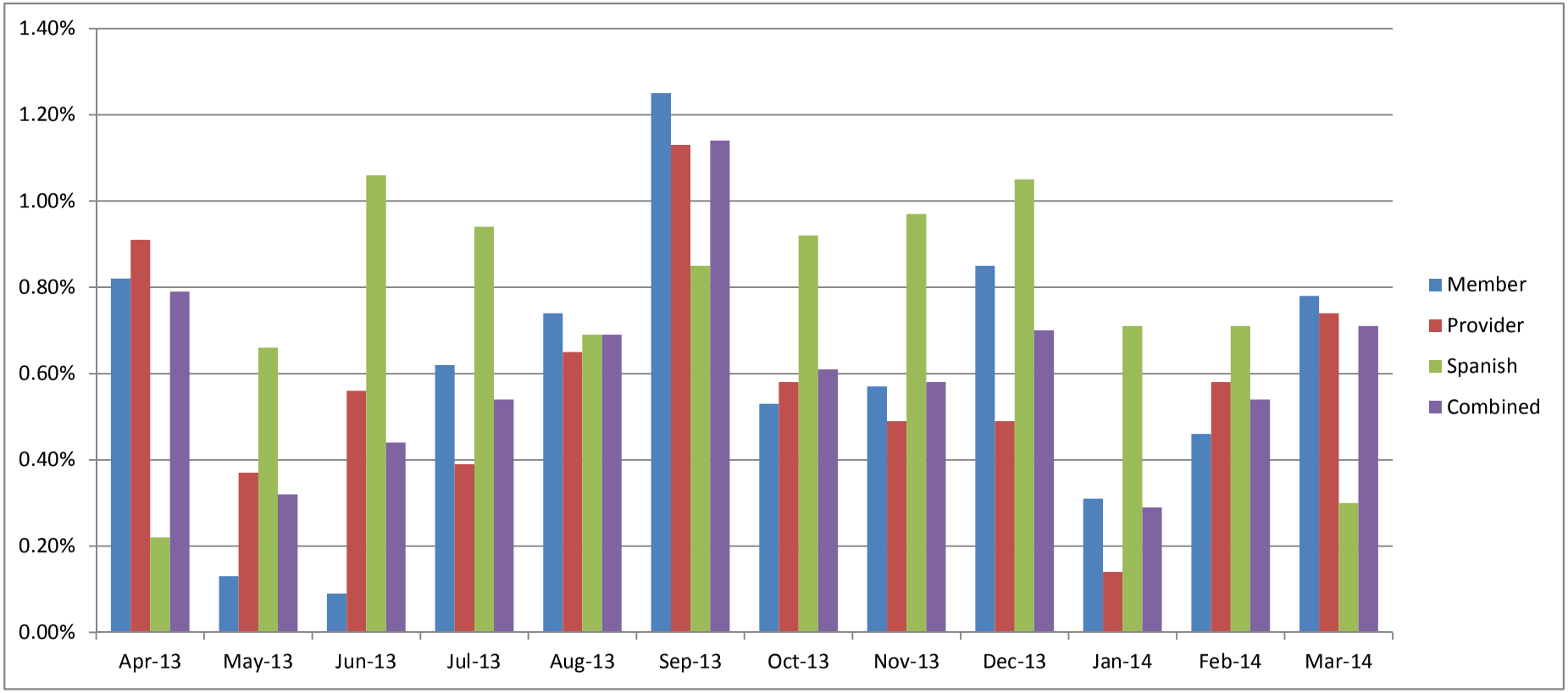
(in seconds)



	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Member	5.4	3.6	4.2	8.4	7.8	12.0	10.8	12.0	12.6	5.4	10.8	12.6
Provider	13.2	6.0	6.6	9.6	16.2	22.2	16.8	14.4	15.6	5.4	10.8	12.0
Spanish	8.4	7.8	9.6	17.4	18.0	16.8	16.2	10.8	11.4	6.6	13.8	14.4
Combined	9.6	5.4	6.0	10.2	13.2	16.8	14.4	13.2	13.8	5.4	10.8	12.6

GOAL: 30 seconds or less

Xerox Call Center Abandonment Rate

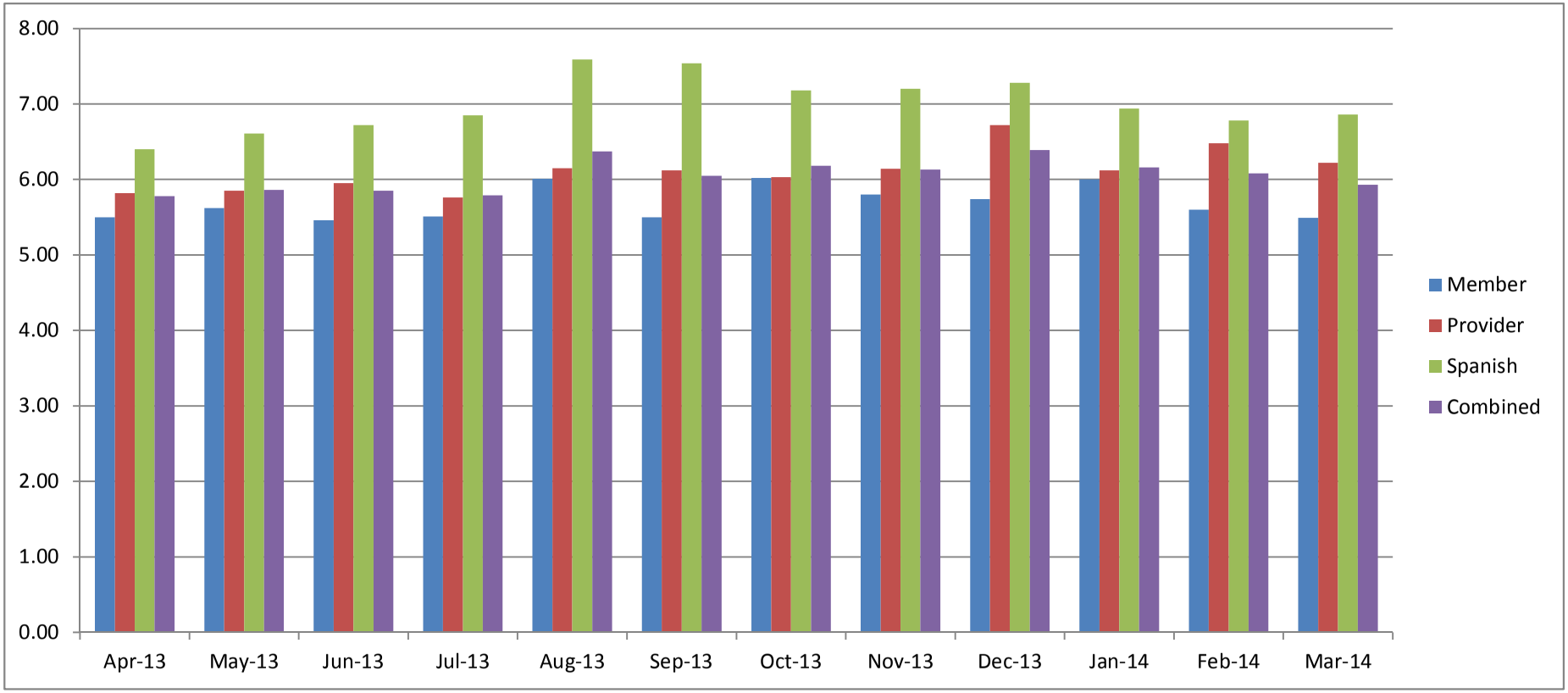


	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Member	0.82%	0.13%	0.09%	0.62%	0.74%	1.25%	0.53%	0.57%	0.85%	0.31%	0.46%	0.78%
Provider	0.91%	0.37%	0.56%	0.39%	0.65%	1.13%	0.58%	0.49%	0.49%	0.14%	0.58%	0.74%
Spanish	0.22%	0.66%	1.06%	0.94%	0.69%	0.85%	0.92%	0.97%	1.05%	0.71%	0.71%	0.30%
Combined	0.79%	0.32%	0.44%	0.54%	0.69%	1.14%	0.61%	0.58%	0.70%	0.29%	0.54%	0.71%

GOAL: 5% or less

Xerox Call Center Average Call Length

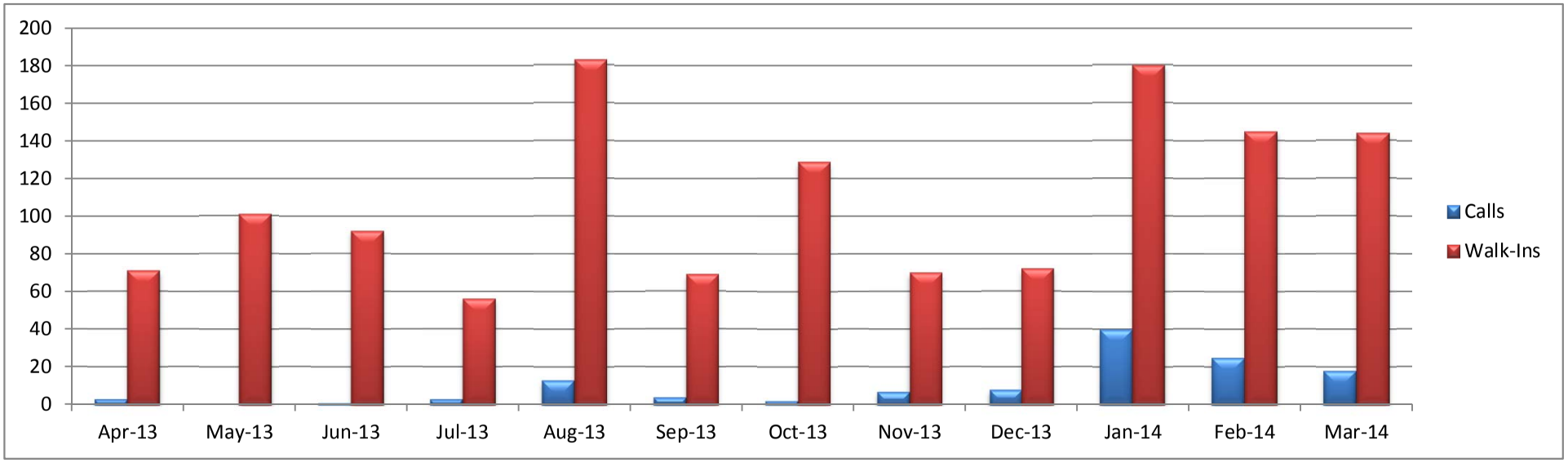
(in minutes)



	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Member	5.50	5.62	5.46	5.51	6.01	5.50	6.02	5.80	5.74	6.00	5.60	5.49
Provider	5.82	5.85	5.95	5.76	6.15	6.12	6.03	6.14	6.72	6.12	6.48	6.22
Spanish	6.40	6.61	6.72	6.85	7.59	7.54	7.18	7.20	7.28	6.94	6.78	6.86
Combined	5.78	5.86	5.85	5.79	6.37	6.05	6.18	6.13	6.39	6.16	6.08	5.93

GOAL: 7 minutes or less

Oxnard Member Services Activity

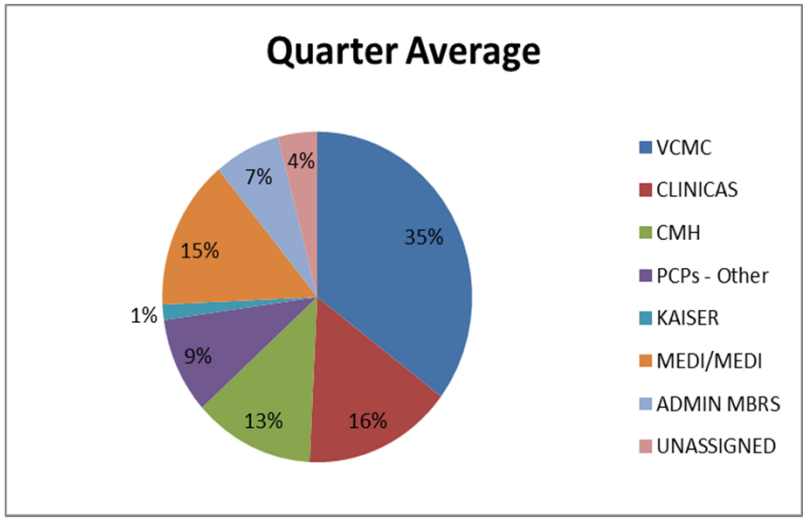


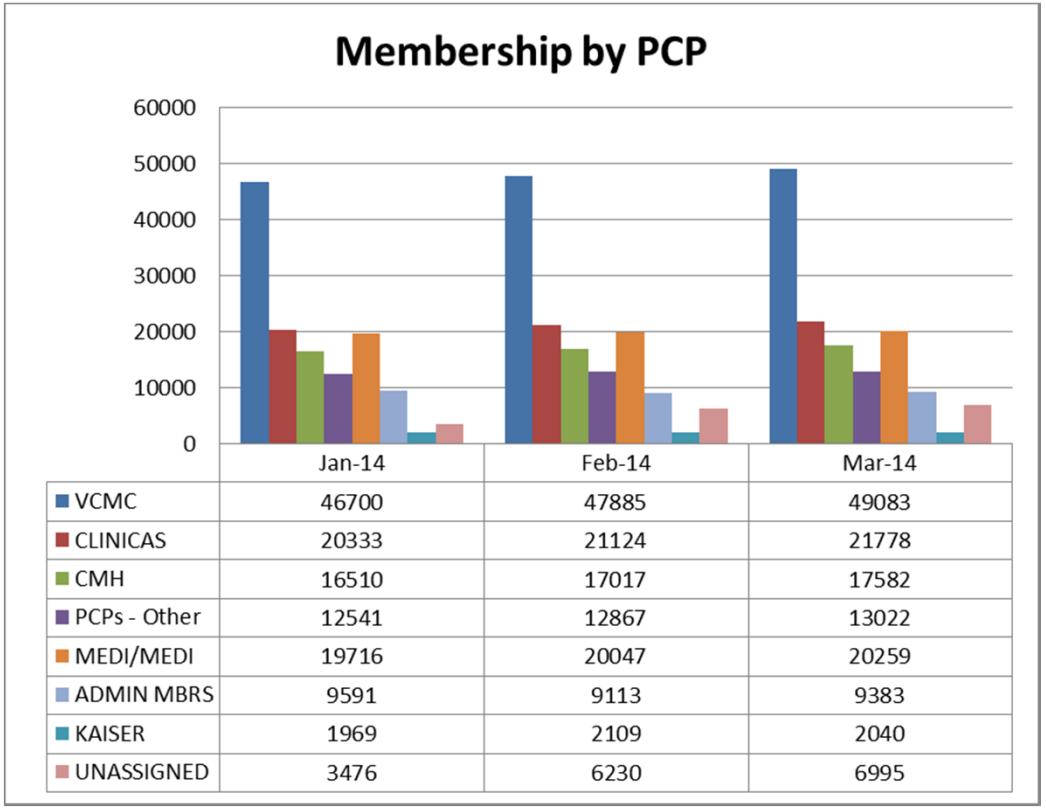
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Calls	3	0	1	3	13	4	2	7	8	40	25	18
Walk-Ins	71	101	92	56	183	69	129	70	72	180	145	144

Note: August 2013 walk-in increase due to Healthy Families transition; October 2013 increase not directly associated with one issue; January, February and March 2014 increase due to LIHP transition and Medi-Cal Expansion.

PCP / Member Assignment Report

The graphs below consolidate the total number of members assigned by PCP grouping.



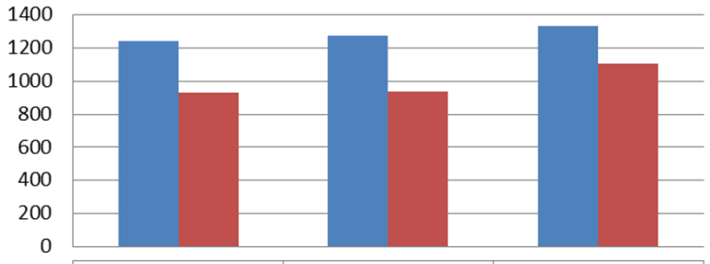


	Jan-14	Feb-14	Mar-14
VCMC	46700	47885	49083
CLINICAS	20333	21124	21778
CMH	16510	17017	17582
PCPs - Other	12541	12867	13022
MEDI/MEDI	19716	20047	20259
ADMIN MBRS	9591	9113	9383
KAISER	1969	2109	2040
UNASSIGNED	3476	6230	6995

*UNASSIGNED includes Share of Cost, Newly Eligible and Other Insurance

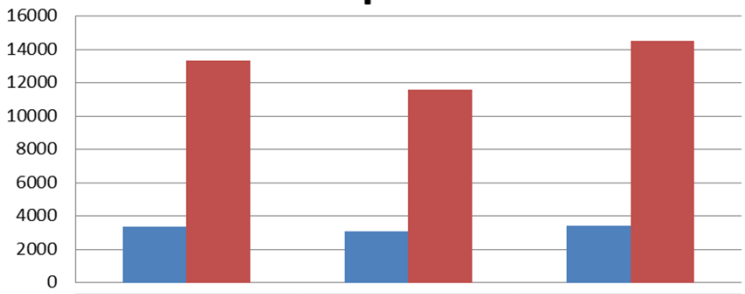
Provider Portal / Call Center Usage

Authorization Request/Inquiries



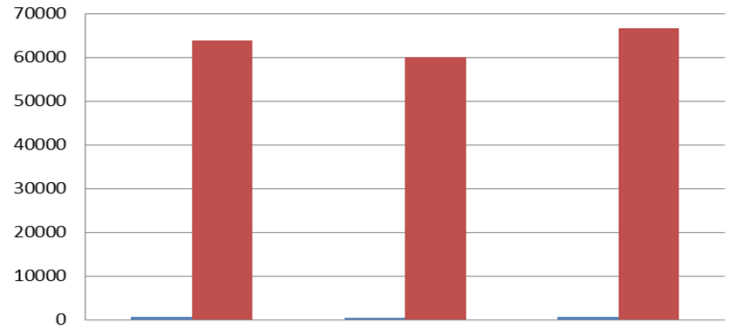
	Jan-14	Feb-14	Mar-14
Call Center	1239	1276	1333
Portal	932	937	1104

Claim Inquiries



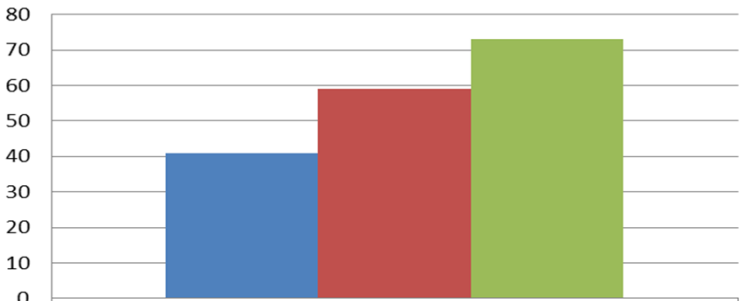
	Jan-14	Feb-14	Mar-14
CALL CENTER	3338	3099	3385
PORTAL	13348	11583	14535

Member Eligibility Inquiries



	Jan-14	Feb-14	Mar-14
IVR	584	563	622
PORTAL	63854	59928	66563

Provider Portal New Registration



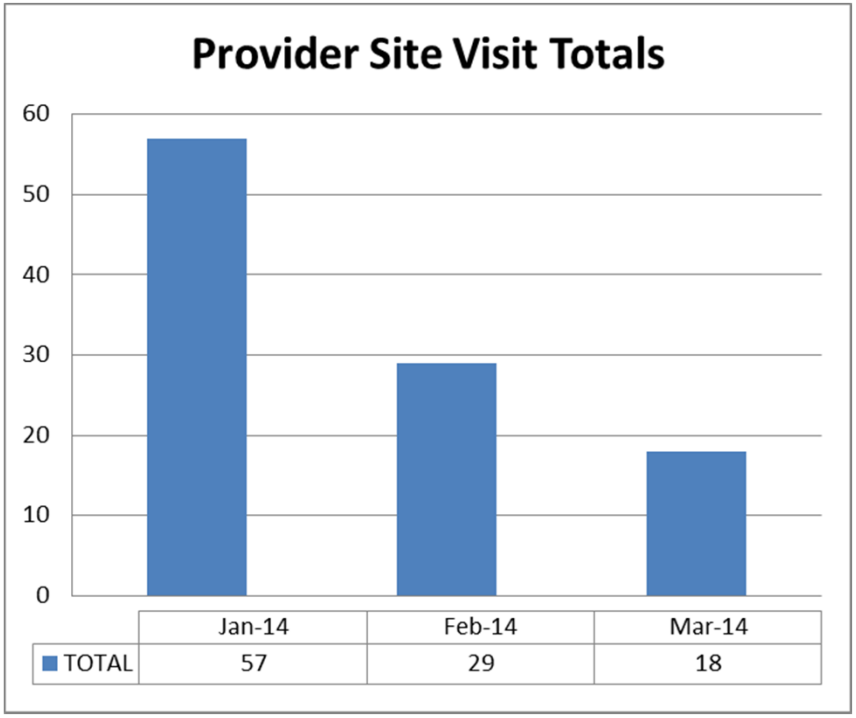
	TOTAL
Jan-14	41
Feb-14	59
Mar-14	73

Provider Site Visit Tracking

March 2014

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

Note: February and March site visits dropped as a result of staffing shortage and staffing changes.



AGENDA ITEM 4c

To: Gold Coast Health Plan Commission

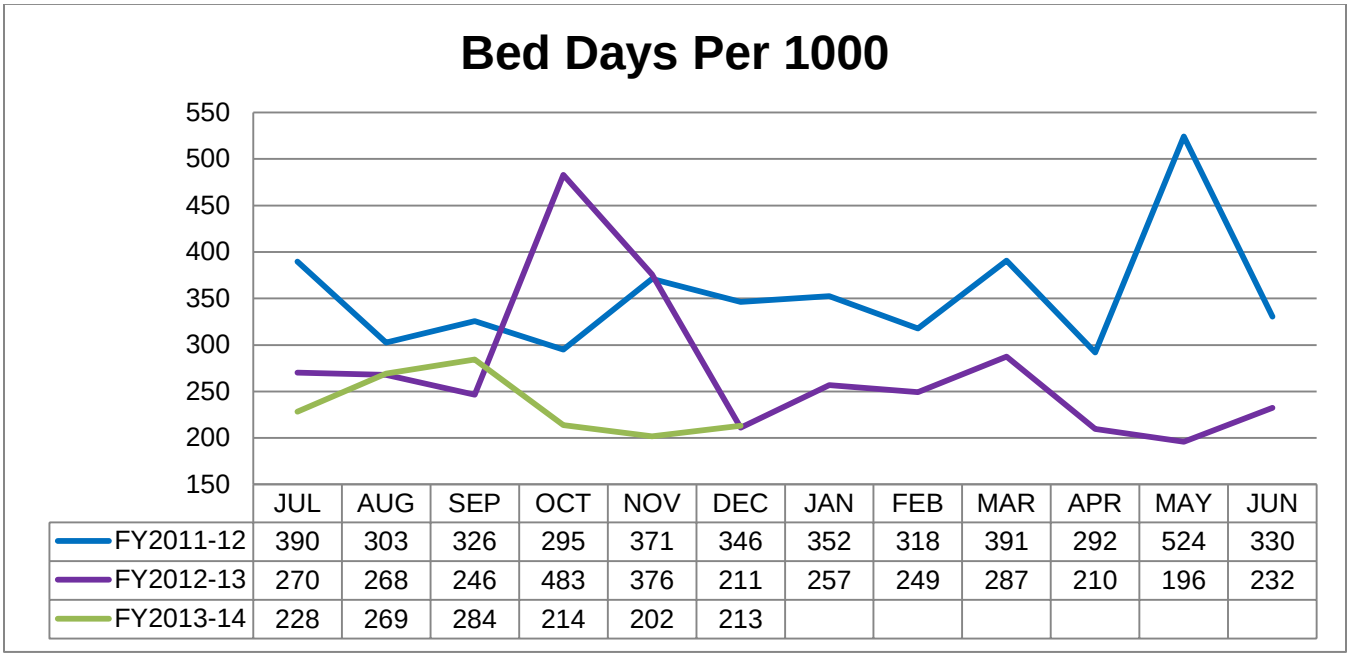
From: Dr. Nancy Wharfield, Associate Chief Medical Officer

Date: April 28, 2014

Re: Health Services Update

Inpatient Utilization
Acute inpatient days / 1000 members continued below 225 for the fourth quarter of 2013.

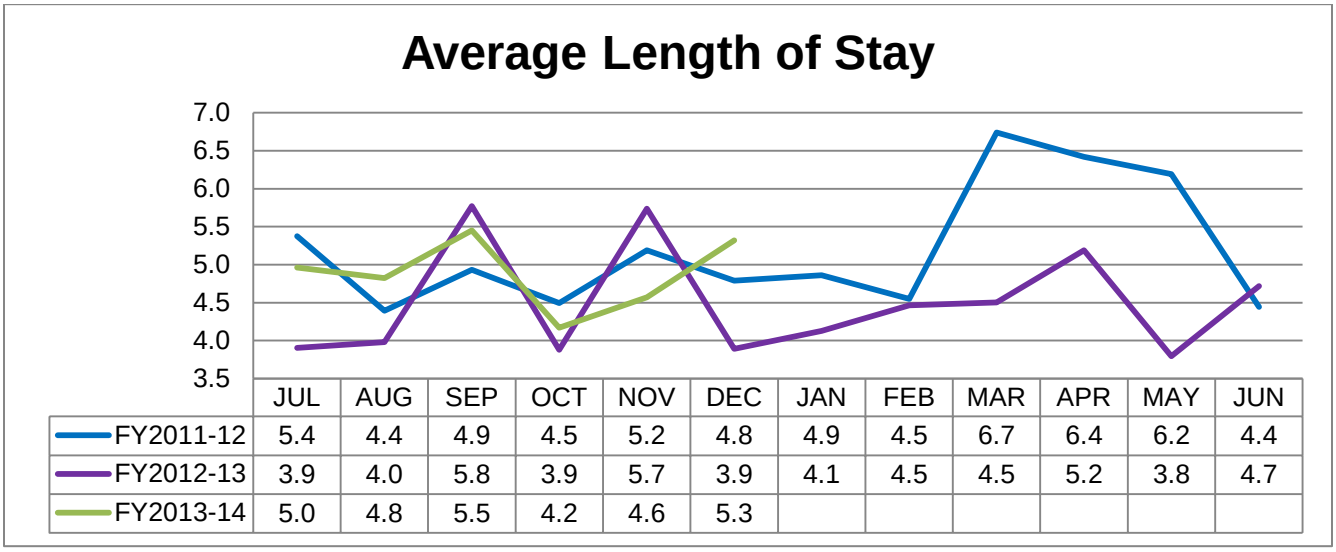
Inpatient days / 1000 members and average length of stay calculations are based on paid claims and are lagged by 3 months to allow for adequate run out of claims data. Administrative days are included in these calculations. Dual eligible members, SNF, and LTC data are not included in this data.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY2011-12	390	303	326	295	371	346	352	318	391	292	524	330
FY2012-13	270	268	246	483	376	211	257	249	287	210	196	232
FY2013-14	228	269	284	214	202	213						

Average Length of Stay

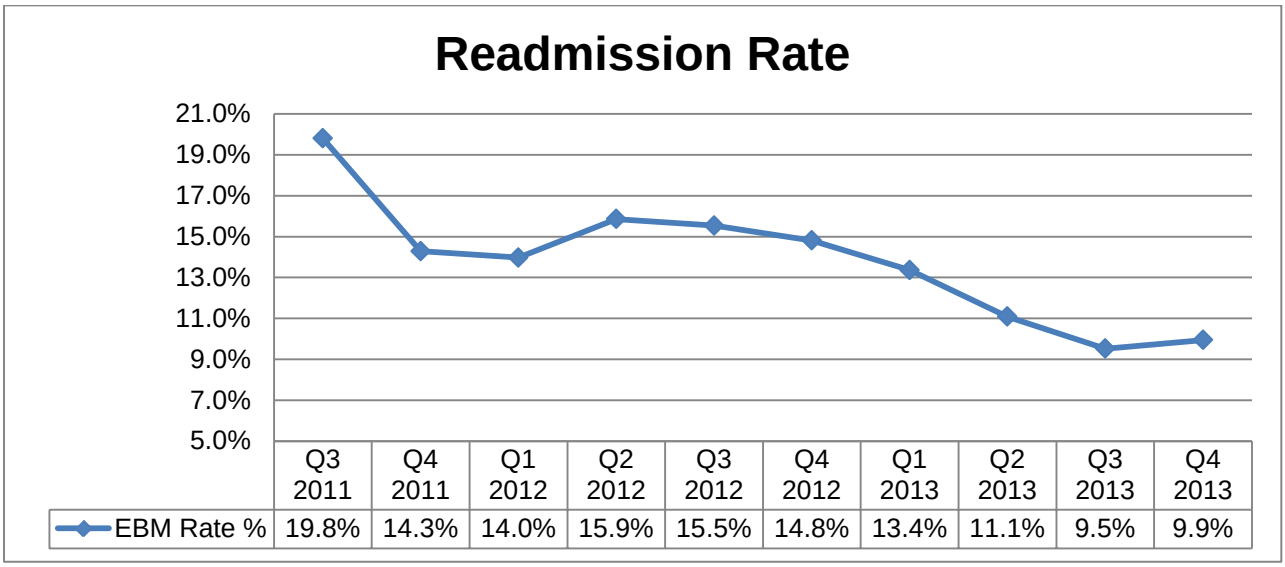
Average length of stay has shown an increase since October 2013 and mirrors prior peaks seen in September and November of 2013.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY2011-12	5.4	4.4	4.9	4.5	5.2	4.8	4.9	4.5	6.7	6.4	6.2	4.4
FY2012-13	3.9	4.0	5.8	3.9	5.7	3.9	4.1	4.5	4.5	5.2	3.8	4.7
FY2013-14	5.0	4.8	5.5	4.2	4.6	5.3						

Readmission rate

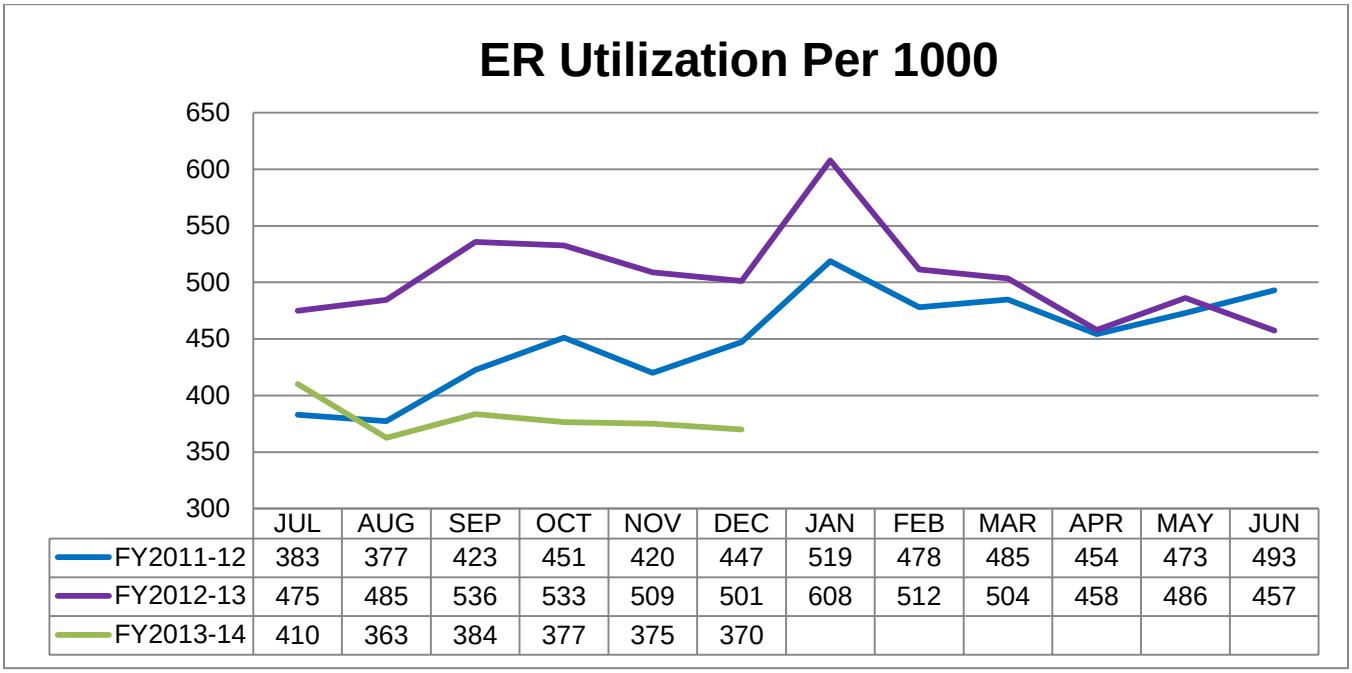
The 30 day readmission rate is slightly increased from the third quarter 2013 to the fourth quarter of 2013. To further our Transition of Care efforts, an On-Site Discharge Nurse began work at VCMC the week of April 21, 2014. We anticipate that this initiative will help prevent unnecessary readmissions but may also contribute to a decreased length of stay and reduction of bed days as well.



	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013
EBM Rate %	19.8%	14.3%	14.0%	15.9%	15.5%	14.8%	13.4%	11.1%	9.5%	9.9%

ER Utilization
ER utilization remains below 400 visits / member since August 2013. The year-to-year comparison for December 2013 to December 2014 showed a 26% decrease. Health Educators and Care Managers continue to reach out to our highest utilizing members.

Gold Coast Health Plan is putting processes in place to notify providers about high utilizers assigned to them.



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY2011-12	383	377	423	451	420	447	519	478	485	454	473	493
FY2012-13	475	485	536	533	509	501	608	512	504	458	486	457
FY2013-14	410	363	384	377	375	370						

Authorization Requests
Requests for inpatient and outpatient services increased by approximately 44% from the fourth quarter of 2013 to the first quarter of 2014. During this same period, membership increased by approximately 16%. This may be the result of increased need for services for members who have not previously had health care coverage. Health Services staffing has been increased to accommodate this increased demand. Our average denial rate for the first quarter of 2013 – first quarter of 2014 is 3.7%.

Grievances and Appeals
The number of grievances is constant from the fourth quarter of 2013 to first quarter of 2014. Appeals increased from the fourth quarter of 2013 to the first quarter of 2014 but the overall number remains low.

Grievances

Total Number	
Q4 2013	28
Q1 2014	29

Appeals

Quarter	Total	Approved	Denied
Q4 2013	1	1 (100%)	0
Q1 1014	5	1 (20%)	4 (80%)

Report Card
The 2014 Gold Coast Health Plan Provider Report Card reflecting data for 2013 is currently being distributed to Medical Directors and clinic Administrators of clinic systems and to independent providers.

The Report Card packet contains an introductory letter, details of data definitions, summary report card, metric details, and instructions on how to utilize Report Card information.

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

AGENDA ITEM 5a

To: Gold Coast Health Plan Commission

From: Brandy Armenta, Compliance Officer / Director

Date: April 28, 2014

Re: Compliance Officer / Director Quarterly Report

The compliance committee is comprised of internal staff and external General Counsel. The charter and scope for the committee includes but is not limited to:

- ensure fraud, waste & abuse and HIPAA trainings are completed,
- assist in the creation and implementation of the risk assessments,
- monitoring progress towards completion of goals identified in the compliance work plan,
- assist in the creation, implementation and monitoring of effective corrective actions for delegates, review the results of monitoring activities as described in delegation agreements to ensure delegate is meeting expectations and performing delegated functions appropriately and recommend corrective actions plans for delegates when deficiencies are identified.

The compliance committee has met twice in the first calendar quarter of 2014. The following items are a sample of items discussed at the meetings:

- fraud, waste & abuse cases and current status of cases,
- code of conduct,
- compliance committee charter and
- Department of Justice meeting information.

The compliance committee recently approved the Plan's code of conduct as well as the revised compliance committee charter. On February 11, 2014 General Counsel and the Plan's compliance officer / director attended a quarterly Department of Justice meeting in Los Angeles. General Counsel and the compliance officer / director reported back to the compliance committee trends in fraud that were brought forth by participants during the DOJ meeting. Compliance staff researches trends / issues identified at DOJ meetings to ensure the Plan mitigates risk to the best of its ability and potential exposure to the Plan. Compliance staff maintains an action item log based on the compliance committee meetings discussion and it is reviewed at every meeting to ensure items identified are being addressed.

The Plan engaged Provencio Advisory Service (PAS) in 2013 to conduct the required annual credentialing audits on three entities that the Plan currently delegates credentialing to. Compliance staff joined PAS and was involved in the audit process. The audits were conducted during the first three weeks in January 2014. The three entities audited received a corrective action letter issued by the Plan on March 5, 2014 for deficiencies identified during the audits. The entities complied and submitted required documentation. On April 11, 2014, one entity received a closure letter, while the other two each have an open item remaining. The Plan will follow up with both entities that have an open item remaining in June 2014 to ensure the policy and or process submitted was implemented. The responsiveness of all the delegates was collegial and productive throughout the audit process.

The Plan is required to conduct delegation oversight audits on functions which are delegated. Routine reporting from delegates to the Plan is contractually required and must be actively monitored. Delegation oversight staff is in the process of contacting each delegate to refine reporting requirements outlined in existing contracts, providing new templates for reporting if needed, and scheduling required delegation oversight audits. Delegation oversight auditing and reporting is a requirement of the Plans DHCS contract.

The Plan submitted a response to the Department of Health Care Services (DHCS) on April 18, 2014 for the Medical (Addendum B) corrective action plan on the four remaining items. The Plan anticipates receiving a revision to the financial portion of the corrective action plan as a result of additional items being completed.

Compliance continues to monitor and ensure all employees and temporary employees are trained on HIPAA and Fraud, Waste & Abuse. In addition, compliance & information technology staff conducts random internal audits for HIPAA and PHI issues. Results of the audits are communicated back to the compliance committee as well as the leadership team.

The Plan continues to meet all regulatory contract submission requirements. In addition all regulatory agency inquiries and requests are handled timely and required information is provided within the required timeframe it is requested. In closing the compliance committee and compliance staff is actively engaged in sustaining contract compliance.