

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

Executive/Finance Committee Regular Meeting

Regular Meeting

Thursday, September 1, 2016 – 3:00 p.m.

Bell Canyon Conference Room at Gold Coast Health Plan

770 E. Daily Drive, 2nd Floor, Camarillo, CA 93010

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

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

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

CONSENT CALENDAR

1. Approval of the Executive/Finance Committee Regular Minutes of July 7, 2016.

Staff: Tracy Oehler, Clerk of the Board

RECOMMENDATION: Approve the minutes.

FORMAL ACTION ITEMS

2. July 2016 Fiscal Year to Date Financials

Staff: Patricia Mowlavi, Chief Financial Officer

RECOMMENDATION: Accept the July 2016 Fiscal Year to Date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

3. Consider Adding Benefit Enhancement - Cardiac Rehabilitation

Staff: Nancy Wharfield, M.D., Associate Chief Medical Director

RECOMMENDATION: Approve cardiac rehabilitation as a benefit for presentation to the Ventura County MediCal Managed Care Commission.

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

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

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5509. Notification for accommodation must be made by the Tuesday prior to the meeting by 3 p.m. will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.

This agenda was posted on August 27, 2016, at 12:00 p.m. at the Gold Coast Health Plan Notice Board and on its website.

AGENDA ITEM NO. 1

Ventura County Medi-Cal Managed Care Commission (VCMMCC) Executive/Finance Committee

July 7, 2016 Regular Meeting Minutes

CALL TO ORDER

Committee member Dee Pupa called the meeting to order at 3:07 p.m. in the Bell Canyon Conference Room located at Gold Coast Health Plan, 770 East Daily Drive, 2nd Floor, Camarillo, California.

ROLL CALL

Present: Committee members Antonio Alatorre, Barry Fisher (arrived at 3:14 p.m.), Darren Lee (arrived at 3:11 p.m.), Dee Pupa, and Jennifer Swenson.

Absent: None.

Committee member Pupa presided until Committee member Lee arrived at 3:14 p.m.

PUBLIC COMMENT

None.

CONSENT CALENDAR

1. Minutes

RECOMMENDATION: Approve the minutes of the special Executive/Finance Committee meeting of February 11, 2016.

Committee member Lee requested a motion to approve the minutes as all the items had been forwarded to the Ventura County Medi-Cal Managed Commission on February 22, 2016. Scott Campbell, General Counsel, stated since all the items in the minutes had been discussed in open session, a motion could be made.

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

AYES: Committee members Alatorre, Lee, and Pupa.

NOES: None.

ABSENT: Committee members Fisher and Swenson.

Committee member Lee declared the motion carried.

FORMAL ACTION ITEMS

2. May 2016 Fiscal Year to Date Financials

RECOMMENDATION: Accept the May 2016 Fiscal Year to Date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

Patricia Mowlavi, Chief Financial Officer, reported Gold Coast Health Plan (GCHP) continues to maintain a positive performance with a net gain of assets of \$35.1 million; both medical benefits and administrative costs have risen which was expected, but remain favorable to the budget; Tangible Net Equity (TNE) has increased to approximately \$135 million, which is \$42.5 million better than budget; and the Cash and Operating Expense Requirements graph illustrates the \$208 million owed to the State due to the Adult Expansion rate overpayments and the 85% Adult Expansion Medical Loss Ratio. At this time, GCHP does not know when the State will require the repayment of the money. The State has started to take back a portion of the rate overpayments and are now paying at a more current rate, but continue to overpay the base rate. The key point is once this payment has been made, GCHP will have just over two months of operating expenses in terms of cash. Additionally, the State has not made the May or June payments, but this will not impact GCHP's payments to providers.

A discussion followed between the Committee members and staff regarding the State's continual overpayments due to an outdated computer program; the reminder the goal of the TNE is to be within a range so the monies are being utilized in the community; a timing issue created the change in the Managed Care Organization (MCO) tax; how unpaid days are incurred, but are not reported calculations; and \$14 million was paid regarding the Physician ACA 1202 Payable funding with the remainder to be paid once the reconciliations have been made.

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

AYES: Committee members Alatorre, Fisher, Lee, Pupa, and Swenson.

NOES: None.

ABSENT: None.

Committee member Lee declared the motion carried.

PRESENTATIONS

3. Procurement Overview

Bob Bushey, Procurement Officer, gave an overview on GCHP's sourcing process, which is a fact-based approach using qualitative and quantitative factors to select vendors. It was noted policy states any amount over an aggregate amount of \$50,000 requires a Request for Proposals (RFP) with the receipt of three competitive bids; and the standard documents have been redone with refinements made to the templates for specialized areas like construction and technology with a focus on risk assessment. The steps in the process included: profile internally and externally; develop strategy; screen vendors and selection factors; create a request for proposal; share and negotiate value propositions; and implement agreements.

4. Audit Plan Update

Will Oliver, financial consultant from Etonien, gave an update on GCHP's internal audit, which included the preliminary testing for human resources and payroll with the next focus on procurement, accounts payable, and claims.

John Blakey and Stelian Damu, consultants from Moss Adams LLP, gave an overview of the external audit plan for GCHP for the year ending June 30, 2016, as well as discussed current-year developments and auditing standard changes that would affect the audit.

A presentation handout was distributed and filed.

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

The meeting was adjourned at 4:04 p.m.

AGENDA ITEM NO. 2

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Patricia Mowlavi, Chief Financial Officer

DATE: September 1, 2016

SUBJECT: July 2016 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached July 2016 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 July 2016 financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

FISCAL IMPACT:

Financial Highlights

Overall Performance – For the month of July 31, 2016, the Plan’s gain in net assets was approximately \$4.3 million. This is \$4.9 million higher than budget which was largely due to the continued growth in membership in the Adult Expansion (“AE”) category of aid and savings from lower than anticipated administrative costs.

Tangible Net Equity – The Plan’s operating performance has increased the Tangible Net Equity (TNE) amount to approximately \$157.3 million, which is \$4.9 million higher than budget.

Membership – July membership of 208,714 was below budget by 503 members.

Revenue – Net revenue in July was \$59.9 million or \$3.3 million higher than budget. The positive variance resulted primarily from better than anticipated membership for AE with higher capitation rates.

Revenue includes a \$2.8 million reserve for rate reductions associated with AE. This reserve represents an expected refund, to the Department of Health Care Services (“DHCS”), for rate overpayments (as DHCS continues to pay at the July 1, 2014 rates rather than the July 1, 2015 published rates) and the anticipated refund of revenue to achieve a medical loss ratio (“MLR”) of 85%, for this aid category. (The MLR is calculated by dividing health care costs by revenue). The combined total due back to the DHCS, for

both rate overpayment and 85% MLR portion, is \$231.2 million. Beginning in January, the DHCS started to recoup the AE rate overpayment through monthly reductions of its payment to the Plan. Year-to-date, a total of \$70.8 million has been deducted.

Health Care Costs – Health care costs in July were \$52.3 million or \$695,000 under budget. For the year, the MLR was 87.2% versus budget of 93.5%.

Some health care cost items of note include:

- Capitation – July capitation was \$9.1 million or \$4.1 million above budget. The variance was driven by the Enhanced Adult Expansion Capitation program, which was revised effective July 2015, as well as higher than budgeted capitated membership growth.
- Fee for Service – July, total claims expense was \$41.8 million compared to a budget of \$45.8 million. While there was some movement of services between categories, the overall variance was driven by lower than expected Long Term Care category of service and Outpatient costs.
- Pharmacy – July, overall Pharmacy expense was \$9.1 million or \$606,000 below budget.

Administrative Expenses – July administrative costs were \$3.6 million or \$895,000 below budget. The variance is primarily due to timing of projects.

The administrative cost ratio (“ACR”) for July was 6.0% versus 7.9% for budget. (The ACR is calculated by dividing administrative expenses by total revenue.)

Cash and Medi-Cal Receivable – At July 31, the Plan had \$434.4 million in cash and short term investments and \$69.8 million in Medi-Cal Receivable for an aggregate amount of \$504.2 million. The cash amount also included \$5.6 million related to the Managed Care Organizations (MCO) tax. Excluding MCO tax, the combined cash and short term investment amount would be \$498.6 million. The Plan’s cash position over the next several months merit monitoring due to the substantial amount of cash owed to the State of California that will be required to be returned with a significant portion expected to be repay within the next 12 months.

Investment Portfolio – As of July 31, 2016, the value of the investments were as follows:

- Short-term Investments \$204.2 million: Cal Trust \$50.6 million; Ventura County Investment Pool \$85.4 million; LAIF CA State \$63.2 million; Bonds \$5.0 million.
- Long-term Investments (Bonds) \$19.3 million.

RECOMMENDATION:

Staff requests that the Executive/Finance Committee recommend approval of the July 2016 financial package.

ATTACHMENT:

July 2016 Financial Package



FINANCIAL PACKAGE

For the month ended July 31, 2016

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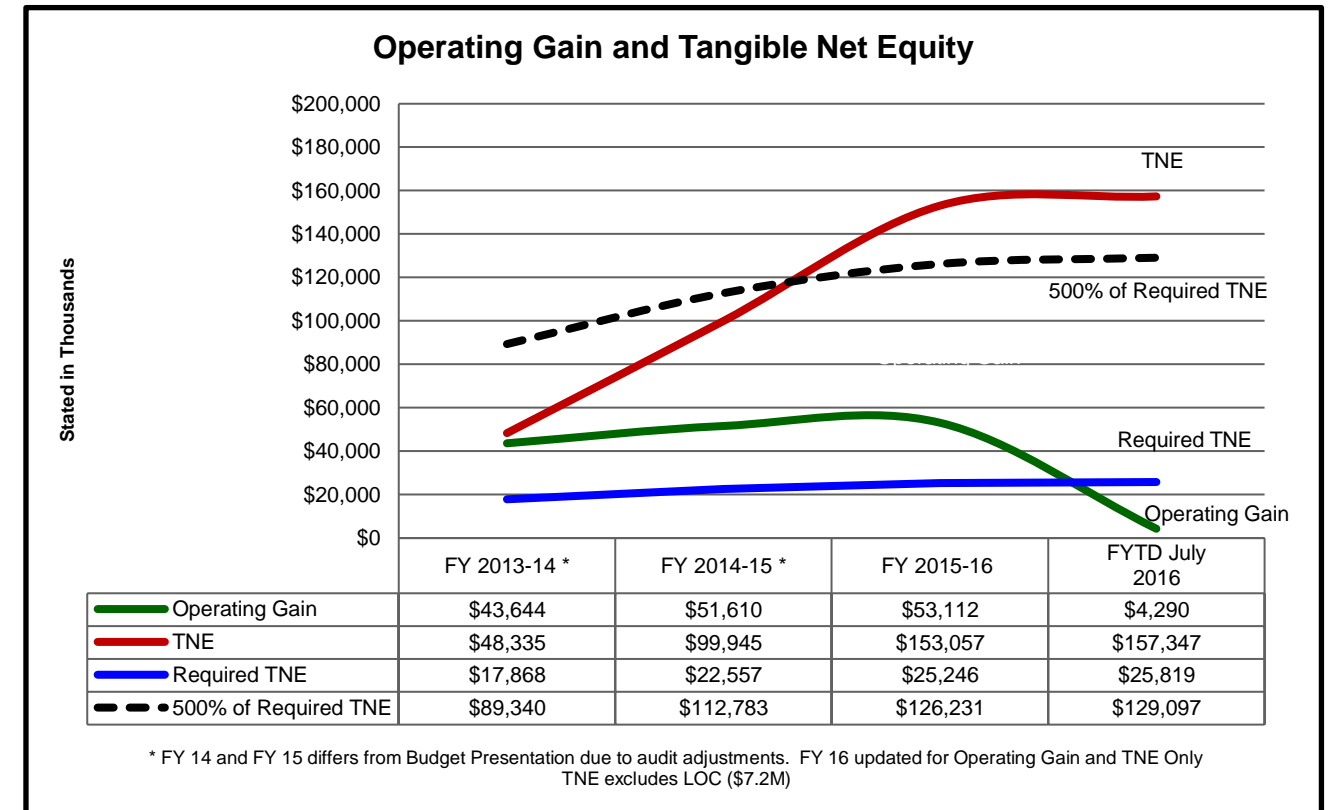
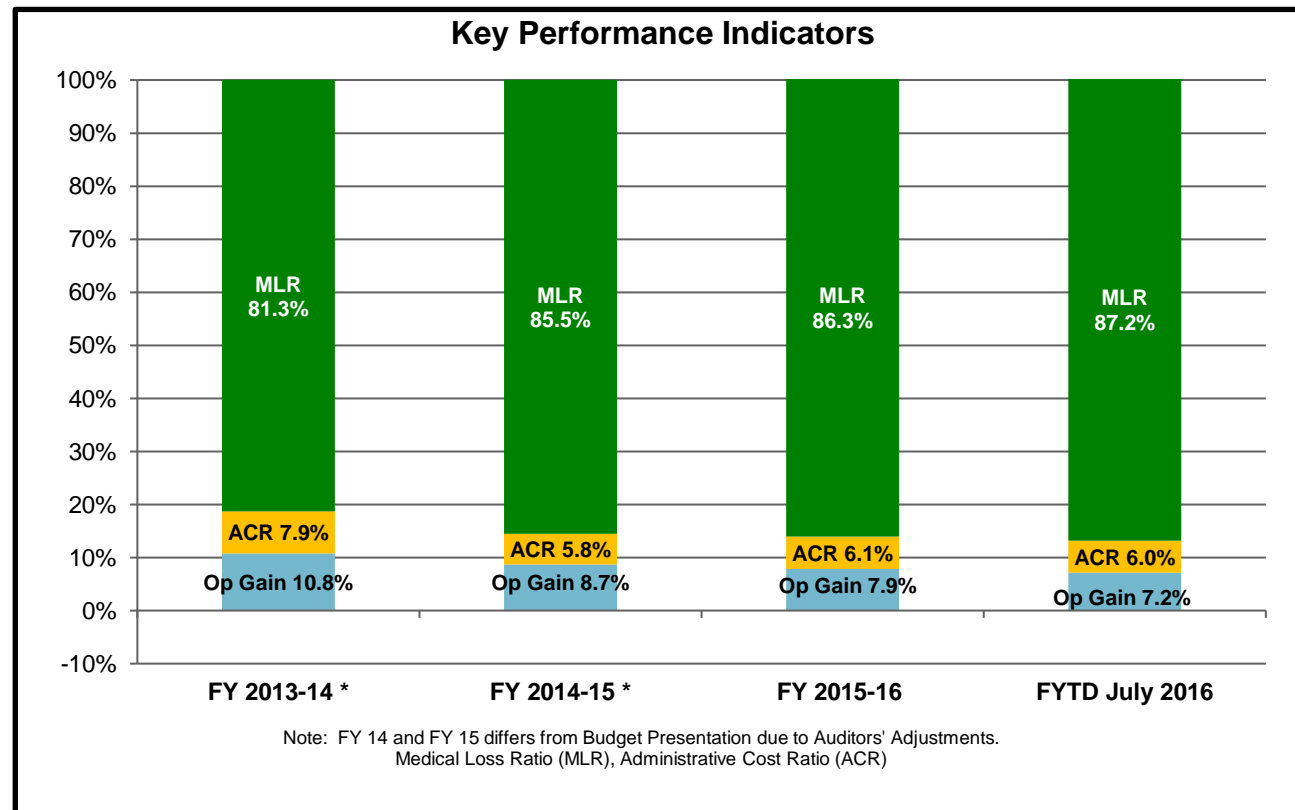
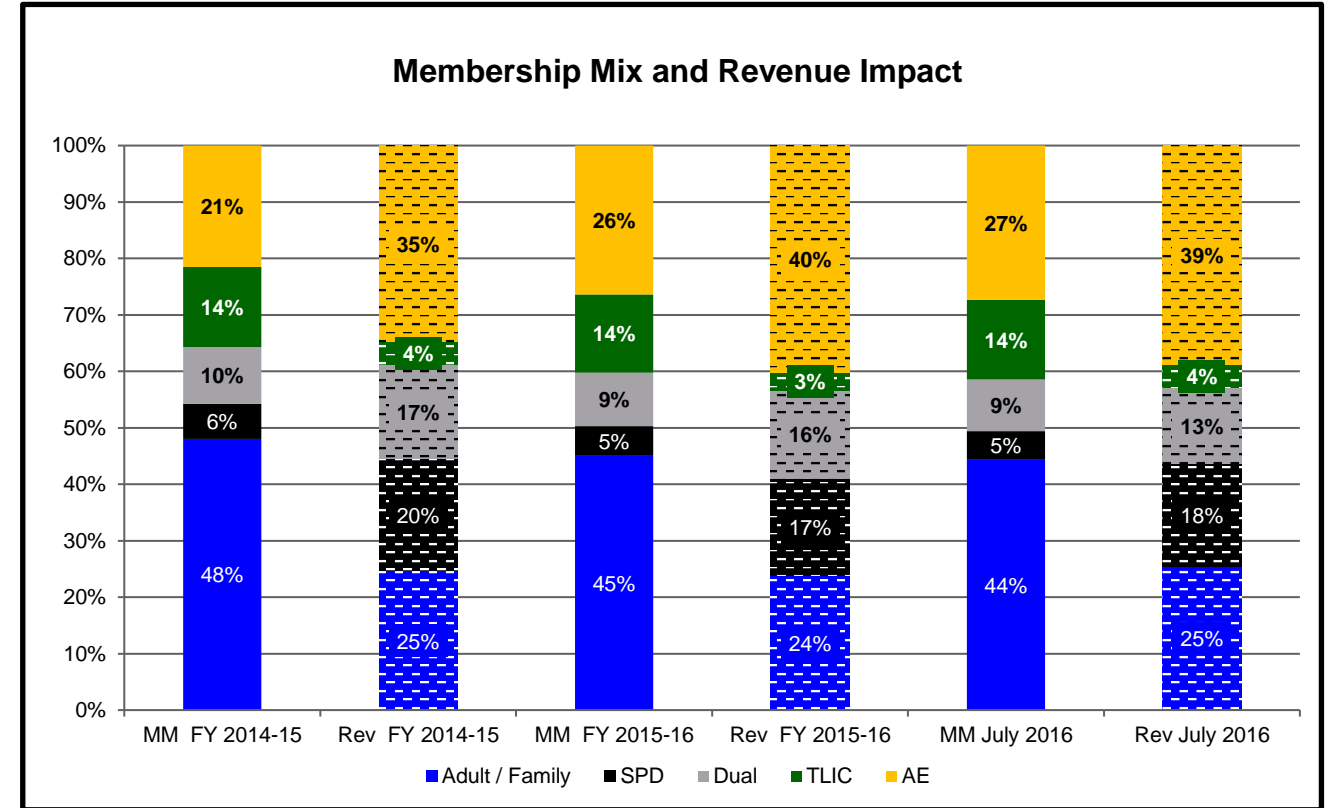
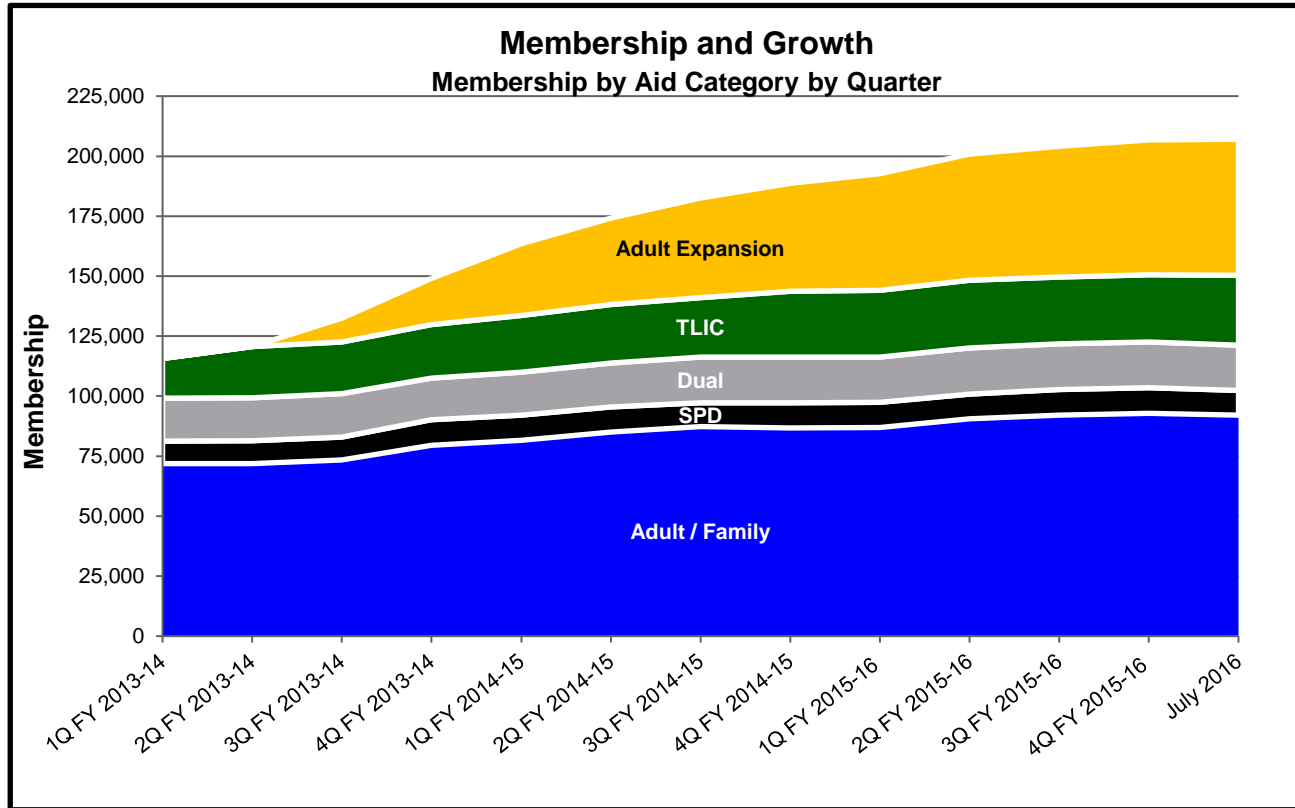
- Financial Overview
- Financial Performance Dashboard
- Cash and Operating Expense Requirements

APPENDIX

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

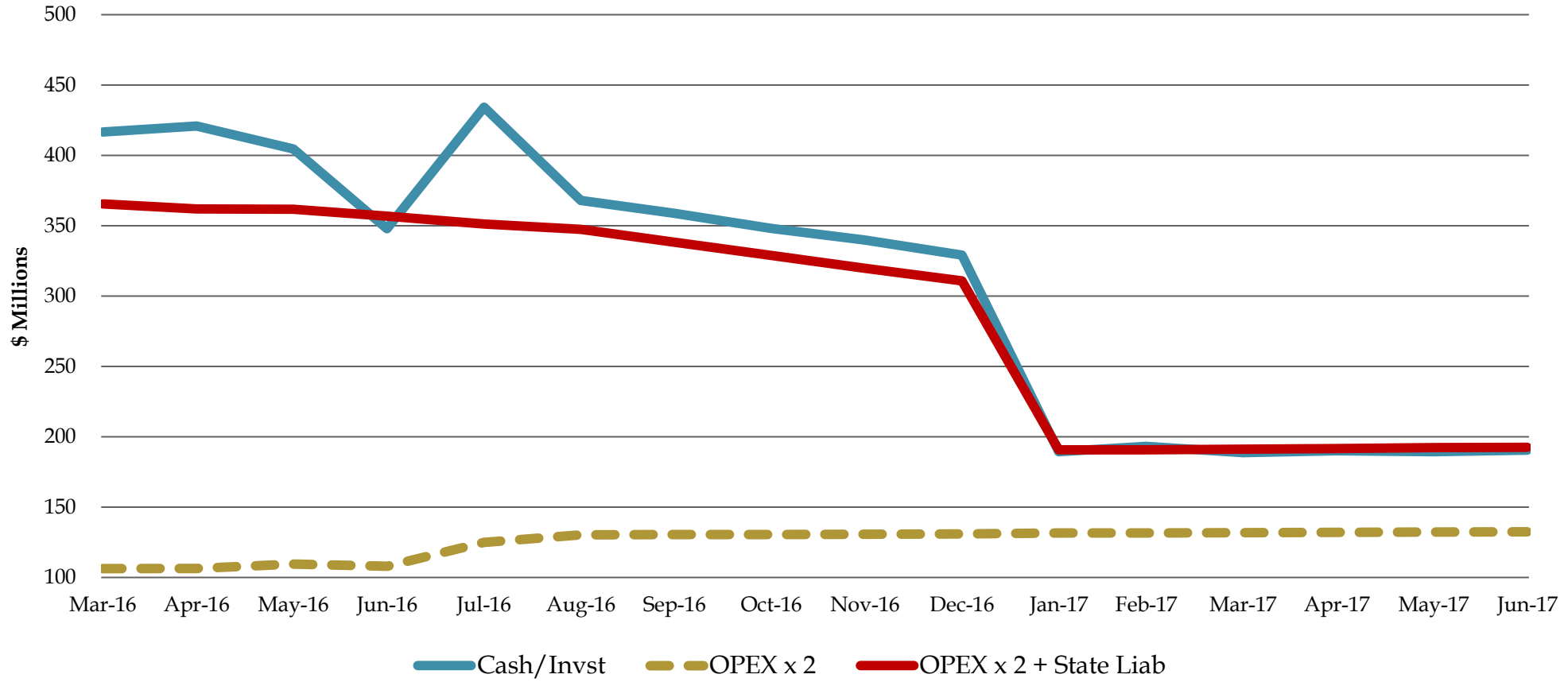
Description	AUDITED	AUDITED	AUDITED	AUDITED	UNAUDITED	FY 2016-17	Budget Comparison		
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	JUL 16	Budget FYTD	Variance Fav / (Unfav)	Variance Fav / (Unfav)%
Member Months	1,258,189	1,223,895	1,553,660	2,130,979	2,413,136	208,714	209,217	(503)	(0.2)%
Revenue	304,635,932	315,119,611	402,701,476	595,607,370	675,629,602	59,902,266	56,622,359	3,279,907	5.8 %
<i>pmpm</i>	242.12	257.47	259.20	279.50	279.98	287.01	270.64	16.37	6.0 %
Health Care Costs	287,353,672	280,382,704	327,305,832	509,183,268	583,149,780	52,248,022	52,943,413	695,391	1.3 %
<i>pmpm</i>	228.39	229.09	210.67	238.94	241.66	250.33	253.06	2.72	1.1 %
% of Revenue	94.3%	89.0%	81.3%	85.5%	86.3%	87.2%	93.5%	6.3 %	6.7 %
Admin Exp	18,891,320	24,013,927	31,751,533	34,814,049	41,158,879	3,584,488	4,479,885	895,397	20.0 %
<i>pmpm</i>	15.01	19.62	20.44	16.34	17.06	17.17	21.41	4.24	19.8 %
% of Revenue	6.2%	7.6%	7.9%	5.8%	6.1%	6.0%	7.9%	1.9 %	24.4 %
Non-Operating Revenue / (Expense)					1,790,949	219,866	172,846	47,020	27.2 %
<i>pmpm</i>					0.74	1.05	0.83	0.23	27.5 %
% of Revenue					0.3%	0.4%	0.3%	0.1 %	20.2 %
Total Increase / (Decrease) in Unrestricted Net Assets	(1,609,063)	10,722,980	43,644,110	51,610,053	53,111,892	4,289,622	(628,092)	4,917,714	(783.0)%
<i>pmpm</i>	(1.28)	8.76	28.09	24.22	22.01	20.55	(3.00)	23.55	(784.6)%
% of Revenue	-0.5%	3.4%	10.8%	8.7%	7.9%	7.2%	-1.1%	8.3%	(745.6)%
YTD									
100% TNE	16,769,368	16,138,440	17,867,986	22,556,530	25,246,284	25,819,419	26,191,940	(372,521)	(1.4)%
% TNE Required	36%	68%	100%	100%	100%	100%	100%		
Minimum Required TNE	6,036,972	10,974,139	17,867,986	22,556,530	25,246,284	25,819,419	26,191,940	(372,521)	(1.4)%
GCHP TNE	(6,031,881)	11,891,099	55,535,211	107,145,264	153,057,156	157,346,778	152,429,064	4,917,714	3.2 %
TNE Excess / (Deficiency)	(12,068,853)	916,960	37,667,225	84,588,734	127,810,872	131,527,359	126,237,124	5,290,235	4.2 %
% of Required TNE level			311%	475%	606%	609%	582%		

FINANCIAL PERFORMANCE DASHBOARD FOR MONTH ENDING July 31, 2016



GOLD COAST HEALTH PLAN JUNE 2016

Cash & Operating Expense Requirements



Note: May & June 16 - Decline in cash due to delay in revenue payment from DHCS. July 16 - Received May and June 16 payment



For the month ended July 31, 2016

APPENDIX

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- Monthly Cash Flow
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- Paid Claims and IBNP Composition
- Pharmacy Cost & Utilization Trends

STATEMENT OF FINANCIAL POSITION

	07/31/16	06/30/16	05/31/16	04/30/16
ASSETS				
Current Assets:				
Total Cash and Cash Equivalents	\$ 230,175,977	\$ 144,092,466	\$ 170,828,399	\$ 187,241,603
Total Short-Term Investments	204,248,691	203,912,197	233,781,109	233,687,190
Medi-Cal Receivable	69,779,279	144,641,270	61,064,913	62,553,746
Interest Receivable	232,104	373,512	486,448	427,102
Provider Receivable	4,783,513	4,800,784	4,790,353	256,964
Other Receivables	0	0	0	171,605
Total Accounts Receivable	74,794,896	149,815,566	66,341,714	63,409,417
Total Prepaid Accounts	2,067,847	1,605,126	762,586	971,983
Total Other Current Assets	133,545	133,545	133,545	133,545
Total Current Assets	511,420,957	499,558,901	471,847,353	485,443,739
Total Fixed Assets	2,555,908	2,544,740	2,233,289	2,070,160
Total Long-Term Investments	19,334,445	19,355,567	19,376,673	19,397,763
Total Assets	\$ 533,311,310	\$ 521,459,209	\$ 493,457,316	\$ 506,911,662
LIABILITIES & NET ASSETS				
Current Liabilities:				
Incurring But Not Reported	\$ 58,143,338	\$ 56,311,392	\$ 63,065,200	\$ 64,894,380
Claims Payable	13,866,931	12,752,210	6,840,902	10,139,605
Capitation Payable	56,685,739	52,510,957	48,333,685	44,150,454
Physician ACA 1202 Payable	1,608,014	1,702,500	9,107,963	9,528,709
AB 85 Payable	1,463,358	3,832,229	0	1,887,116
Accounts Payable	233,285	2,529,931	2,933,232	3,236,898
Accrued ACS	1,686,392	1,683,732	1,663,748	1,648,834
Accrued Expenses	103,186,237	95,312,257	84,424,139	98,197,894
Accrued Premium Tax	5,599,855	5,575,996	4,488,781	3,298,700
Current Portion of Deferred Revenue	0	0	38,333	76,667
Accrued Payroll Expense	880,272	763,698	1,210,142	1,103,838
Total Current Liabilities	243,353,421	232,974,902	222,106,125	238,163,094
Long-Term Liabilities:				
DHCS - Reserve for Capitation Recoup	131,779,946	134,619,946	135,544,946	133,444,946
Other Long-term Liability-Deferred Rent	831,165	807,205	783,246	759,286
Total Long-Term Liabilities	132,611,111	135,427,151	136,328,192	134,204,232
Total Liabilities	375,964,531	368,402,053	358,434,316	372,367,326
Net Assets:				
Beginning Net Assets	153,057,156	99,945,264	99,945,264	99,945,264
Total Increase / (Decrease in Unrestricted Net	4,289,622	53,111,892	35,077,735	34,599,072
Total Net Assets	157,346,778	153,057,156	135,022,999	134,544,336
Total Liabilities & Net Assets	\$ 533,311,310	\$ 521,459,209	\$ 493,457,316	\$ 506,911,662

FINANCIAL INDICATORS				
Current Ratio	2.1 : 1	2.14 : 1	2.12 : 1	2.04 : 1
Days Cash on Hand	233	239	214	218
Days Cash + State Capitation Rec	271	338	246	250
Days Cash + State Capitation Rec (less Tax Li	268	335	244	248

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR ONE MONTHS ENDING JULY 31, 2016**

	July 2016 Year-To-Date		Variance Fav / (Unfav)
	Actual	Budget	
Membership (includes retro members)	208,714	209,217	(503)
Revenue			
Premium	\$ 57,086,068	\$ 63,626,937	\$ (6,540,870)
Reserve for Rate Reduction	2,840,000	(196,197)	3,036,197
MCO Premium Tax	(23,802)	(6,808,381)	6,784,580
Total Net Premium	59,902,266	56,622,359	3,279,907
Other Revenue:			
Miscellaneous Income	0	0	0
Total Other Revenue	0	0	0
Total Revenue	59,902,266	56,622,359	3,279,907
Medical Expenses:			
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	9,125,043	4,983,053	(4,141,990)
<u>FFS Claims Expenses:</u>			
Inpatient	11,033,539	10,473,969	(559,570)
LTC / SNF	7,801,798	9,566,795	1,764,997
Outpatient	3,364,303	4,064,664	700,361
Laboratory and Radiology	191,806	240,054	48,248
Physician ACA 1202	0	0	0
Emergency Room	1,459,397	1,784,249	324,852
Physician Specialty	5,375,241	4,728,172	(647,069)
Primary Care Physician	1,106,857	1,544,643	437,786
Home & Community Based Services	1,002,240	1,295,941	293,701
Applied Behavior Analysis Services	212,939	119,186	(93,752)
Mental Health Services	286,098	342,863	56,764
Pharmacy	9,102,568	9,708,189	605,622
Provider Reserve	0	1,003,603	1,003,603
Other Medical Professional	165,463	205,992	40,529
Other Medical Care	429	0	(429)
Other Fee For Service	587,802	627,959	40,157
Transportation	127,673	128,519	846
Total Claims	41,818,154	45,834,797	4,016,643
Medical & Care Management Expense	1,243,095	1,627,626	384,531
Reinsurance	259,438	497,936	238,498
Claims Recoveries	(197,707)	0	197,707
Sub-total	1,304,826	2,125,563	820,737
Total Cost of Health Care	52,248,022	52,943,413	695,391
Contribution Margin	7,654,244	3,678,947	3,975,297
General & Administrative Expenses:			
Salaries and Wages	717,797	854,107	136,310
Payroll Taxes and Benefits	281,135	258,947	(22,187)
Travel and Training	22,955	48,480	25,525
Outside Service - ACS	1,687,428	1,801,329	113,901
Outside Services - Other	182,323	231,736	49,412
Accounting & Actuarial Services	9,400	74,000	64,600
Legal	145,586	254,500	108,914
Insurance	40,600	35,000	(5,600)
Lease Expense - Office	110,467	110,467	0
Consulting Services	82,814	439,896	357,082
Advertising and Promotion	2,104	19,347	17,243
General Office	178,447	241,846	63,399
Depreciation & Amortization	42,061	43,824	1,763
Printing	6,085	19,463	13,378
Shipping & Postage	91	21,927	21,836
Interest	75,196	25,016	(50,180)
ARCH/Community Grants	0	0	0
Total G & A Expenses	3,584,488	4,479,885	895,397
Total Operating Gain / (Loss)	\$ 4,069,756	\$ (800,938)	\$ 4,870,694
Non Operating			
Revenues - Interest	219,866	172,846	47,020
Total Non-Operating	219,866	172,846	47,020
Total Increase / (Decrease) in Unrestricted Net Assets	\$ 4,289,622	\$ (628,092)	\$ 4,917,714
Net Assets, Beginning of Year	153,057,156		
Net Assets, End of Year	157,346,778		

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	FY 2015-16 Monthly Trend			Current Month		
	APR 16	MAY 16	JUN 16	JULY 2016		Variance
				Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	205,530	206,495	208,533	208,714	209,217	(503)
Revenue:						
Premium	\$ 61,368,425	\$ 62,191,840	\$ 62,954,954	\$ 57,086,068	\$ 63,626,937	\$ (6,540,870)
Reserve for Rate Reduction	(1,750,000)	(2,100,000)	925,000	2,840,000	(196,197)	3,036,197
MCO Premium Tax	(375,856)	(3,124,187)	(2,417,843)	(23,802)	(6,808,381)	6,784,580
Total Net Premium	59,242,569	56,967,654	61,462,112	59,902,266	56,622,359	3,279,907
Other Revenue:						
Miscellaneous Income	38,333	38,333	44,341	0	0	0
Total Other Revenue	38,333	38,333	44,341	0	0	0
Total Revenue	59,280,903	57,005,987	61,506,453	59,902,266	56,622,359	3,279,907
Medical Expenses:						
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	8,910,531	9,097,311	9,085,110	9,125,043	4,983,053	(4,141,990)
FFS Claims Expenses:						
Inpatient	10,955,509	8,925,561	11,902,400	11,033,539	10,473,969	(559,570)
LTC / SNF	9,453,929	9,470,377	7,153,458	7,801,798	9,566,795	1,764,997
Outpatient	3,309,821	3,529,950	3,672,953	3,364,303	4,064,664	700,361
Laboratory and Radiology	251,864	204,947	232,035	191,806	240,054	48,248
Physician ACA 1202	0	0	(7,405,463)	0	0	0
Emergency Room	1,867,611	1,875,789	2,090,005	1,459,397	1,784,249	324,852
Physician Specialty	4,469,065	4,928,264	3,995,126	5,375,241	4,728,172	(647,069)
Primary Care Physician	1,351,441	1,080,895	1,397,119	1,106,857	1,544,643	437,786
Home & Community Based Services	1,432,175	1,371,387	1,406,513	1,002,240	1,295,941	293,701
Applied Behavior Analysis Services	109,735	164,519	245,756	212,939	119,186	(93,752)
Mental Health Services	387,574	342,867	(6,789,601)	286,098	342,863	56,764
Pharmacy	8,840,622	9,346,520	10,149,501	9,102,568	9,708,189	605,622
Provider Reserve	0	0	0	0	1,003,603	1,003,603
Other Medical Professional	249,687	287,442	260,837	165,463	205,992	40,529
Other Fee For Service	678,196	689,885	531,084	587,802	627,959	40,157
Transportation	104,234	131,080	140,621	127,673	128,519	846
Total Claims	43,461,462	42,349,482	28,982,344	41,818,154	45,834,797	4,016,643
Medical & Care Management Expense	1,301,636	1,287,168	1,308,170	1,243,095	1,627,626	384,531
Reinsurance	292,601	293,872	294,686	259,438	497,936	238,498
Claims Recoveries	(40,201)	(145,898)	(255,139)	(197,707)	0	197,707
Sub-total	1,554,036	1,435,143	1,347,718	1,304,826	2,125,563	820,737
Total Cost of Health Care	53,926,029	52,881,936	39,415,171	52,248,022	52,943,413	695,391
Contribution Margin	5,354,874	4,124,051	22,091,281	7,654,244	3,678,947	3,975,297
General & Administrative Expenses:						
Salaries and Wages	767,490	974,047	945,157	717,797	854,107	136,310
Payroll Taxes and Benefits	221,391	220,221	336,304	281,135	258,947	(22,187)
Travel and Training	20,844	32,400	58,872	22,955	48,480	25,525
Outside Service - ACS	1,670,227	1,674,839	1,657,563	1,687,428	1,801,329	113,901
Outside Services - Other	175,025	178,731	197,207	182,323	231,736	49,412
Accounting & Actuarial Services	24,060	19,420	46,540	9,400	74,000	64,600
Legal	541,187	188,061	153,324	145,586	254,500	108,914
Insurance	32,177	32,177	33,410	40,600	35,000	(5,600)
Lease Expense - Office	110,467	110,467	110,467	110,467	110,467	0
Consulting Services	261,268	43,870	235,315	82,814	439,896	357,082
Advertising and Promotion	2,956	18,328	37,433	2,104	19,347	17,243
General Office	159,493	150,139	347,117	178,447	241,846	63,399
Depreciation & Amortization	32,100	39,598	41,832	42,061	43,824	1,763
Printing	11,514	2,076	1,564	6,085	19,463	13,378
Shipping & Postage	22,178	69	6,484	91	21,927	21,836
Interest	36,253	31,120	47,252	75,196	25,016	(50,180)
ARCH/Community Grants	0	110,000	0	0	0	0
Total G & A Expenses	4,088,628	3,825,562	4,255,842	3,584,488	4,479,885	895,397
Total Operating Gain / (Loss)	1,266,246	298,489	17,835,439	4,069,756	(800,938)	4,870,694
Non Operating:						
Revenues - Interest	176,883	180,175	198,717	219,866	172,846	47,020
Expenses - Interest	0	0	0	0	0	0
Total Non-Operating	176,883	180,175	198,717	219,866	172,846	47,020
Total Increase / (Decrease) in Unrestricted Net Assets	1,443,129	478,664	18,034,156	4,289,622	(628,092)	4,917,714
Full Time Employees				184	204	20

PMPM - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	APR 16	MAY 16	JUN 16	JULY 2016		Variance Fav / (Unfav)
				Actual	Budget	
Membership (includes retro members)	205,530	206,495	208,533	208,714	209,217	(503)
Revenue:						
Premium	298.59	301.18	301.89	273.51	304.12	(30.61)
Reserve for Rate Reduction	(8.51)	(10.17)	4.44	13.61	(0.94)	14.54
MCO Premium Tax	(1.83)	(15.13)	(11.59)	(0.11)	(32.54)	32.43
Total Net Premium	288.24	275.88	294.74	287.01	270.64	16.37
Other Revenue:						
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.19	0.19	0.21	0.00	0.00	0.00
Total Other Revenue	0.19	0.19	0.21	0.00	0.00	0.00
Total Revenue	288.43	276.06	294.95	287.01	270.64	16.37
Medical Expenses:						
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	43.35	44.06	43.57	43.72	23.82	(19.90)
<u>FFS Claims Expenses:</u>						
Inpatient	53.30	43.22	57.08	52.86	50.06	(2.80)
LTC / SNF	46.00	45.86	34.30	37.38	45.73	8.35
Outpatient	16.10	17.09	17.61	16.12	19.43	3.31
Laboratory and Radiology	1.23	0.99	1.11	0.92	1.15	0.23
Emergency Room	9.09	9.08	10.02	6.99	8.53	1.54
Physician Specialty	21.74	23.87	19.16	25.75	22.60	(3.15)
Primary Care Physician	6.58	5.23	6.70	5.30	7.38	2.08
Home & Community Based Services	6.97	6.64	6.74	4.80	6.19	1.39
Applied Behavior Analysis Services	0.53	0.80	1.18	1.02	0.57	(0.45)
Mental Health Services	1.89	1.66	(32.56)	1.37	1.64	0.27
Pharmacy	43.01	45.26	48.67	43.61	46.40	2.79
Provider Reserve	0.00	0.00	0.00	0.00	4.80	4.80
Other Medical Professional	1.21	1.39	1.25	0.79	0.98	0.19
Other Medical Care	0.00	0.00	0.00	0.00	0.00	(0.00)
Other Fee For Service	3.30	3.34	2.55	2.82	3.00	0.19
Transportation	0.51	0.63	0.67	0.61	0.61	0.00
Total Claims	211.46	205.09	138.98	200.36	219.08	18.72
Medical & Care Management Expense	6.33	6.23	6.27	5.96	7.78	1.82
Reinsurance	1.42	1.42	1.41	1.24	2.38	1.14
Claims Recoveries	(0.20)	(0.71)	(1.22)	(0.95)	0.00	0.95
Sub-total	7.56	6.95	6.46	6.25	10.16	3.91
Total Cost of Health Care	262.38	256.09	189.01	250.33	253.06	2.72
Contribution Margin	26.05	19.97	105.94	36.67	17.58	19.09
General & Administrative Expenses:						
Salaries and Wages	3.73	4.72	4.53	3.44	4.08	0.64
Payroll Taxes and Benefits	1.08	1.07	1.61	1.35	1.24	(0.11)
Travel and Training	0.10	0.16	0.28	0.11	0.23	0.12
Outside Service - ACS	8.13	8.11	7.95	8.08	8.61	0.52
Outside Services - Other	0.85	0.87	0.95	0.87	1.11	0.23
Accounting & Actuarial Services	0.12	0.09	0.22	0.05	0.35	0.31
Legal	2.63	0.91	0.74	0.70	1.22	0.52
Insurance	0.16	0.16	0.16	0.19	0.17	(0.03)
Lease Expense - Office	0.54	0.53	0.53	0.53	0.53	(0.00)
Consulting Services	1.27	0.21	1.13	0.40	2.10	1.71
Advertising and Promotion	0.01	0.09	0.18	0.01	0.09	0.08
General Office	0.78	0.73	1.66	0.85	1.16	0.30
Depreciation & Amortization	0.16	0.19	0.20	0.20	0.21	0.01
Printing	0.06	0.01	0.01	0.03	0.09	0.06
Shipping & Postage	0.11	0.00	0.03	0.00	0.10	0.10
Interest	0.18	0.15	0.23	0.36	0.12	(0.24)
ARCH/Community Grants	0.00	0.53	0.00	0.00	0.00	0.00
Total G & A Expenses	19.89	18.53	20.41	17.17	21.41	4.24
Total Operating Gain / (Loss)	6.16	1.45	85.53	19.50	(3.83)	23.33
Non Operating:						
Revenues - Interest	0.86	0.87	0.95	1.05	0.83	0.23
Expenses - Interest	0.00	0.00	0.00	0.00	0.00	0.00
Total Non-Operating	0.86	0.87	0.95	1.05	0.83	0.23
Total Increase / (Decrease) in Unrestricted Net Assets	7.02	2.32	86.48	20.55	(3.00)	23.55

STATEMENT OF CASH FLOWS - FYTD

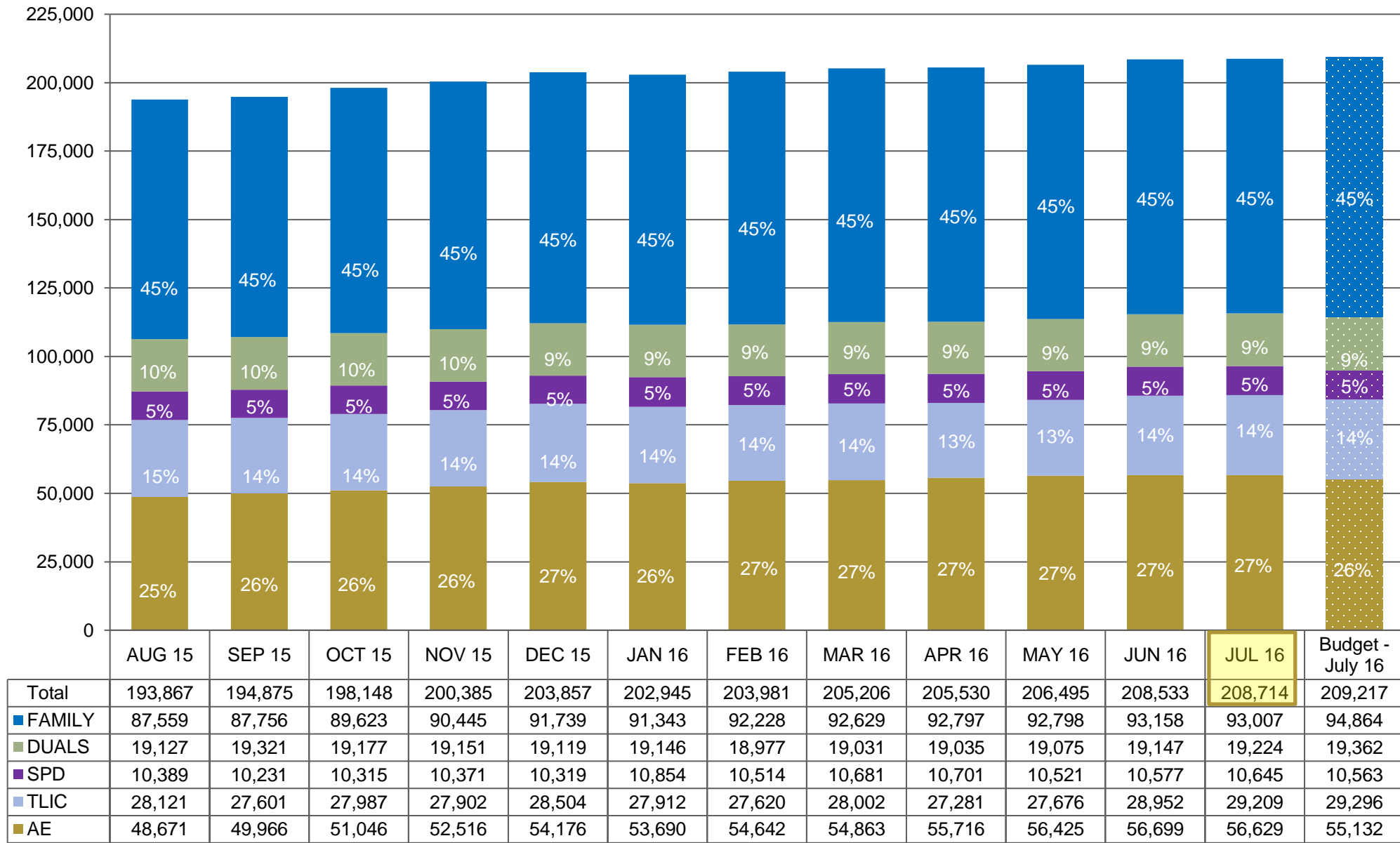
	JULY 16
Cash Flow From Operating Activities	
Collected Premium	\$ 139,900,015
Miscellaneous Income	116,679
State Pass Through Funds	3,989,455
<u>Paid Claims</u>	
Medical & Hospital Expenses	(28,963,402)
Pharmacy	(10,355,112)
Capitation	(4,788,985)
Reinsurance of Claims	(259,438)
State Pass Through Funds Distributed	(3,832,229)
Paid Administration	(9,443,901)
MCO Taxes Received / (Paid)	-
Net Cash Provided / (Used) by Operating Activities	86,363,082
Cash Flow From Investing / Financing Activities	
Net Acquisition / Proceeds from Investments	(315,372)
Net Discount / Premium Amortization of Investments	103,188
Repayment of Line of Credit	-
Net Acquisition of Property / Equipment	(67,387)
Net Cash Provided / (Used) by Investing / Financing	(279,571)
Net Cash Flow	\$ 86,083,511
Cash and Cash Equivalents (Beg. of Period)	144,092,466
Cash and Cash Equivalents (End of Period)	230,175,977
	\$ 86,083,511
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income / (Loss)	4,289,622
Depreciation & Amortization	56,219
Net Discount / Premium Amortization of Investments	(103,188)
Decrease / (Increase) in Receivables	75,020,670
Decrease / (Increase) in Prepaids & Other Current Assets	(462,721)
(Decrease) / Increase in Payables	3,233,211
(Decrease) / Increase in Other Liabilities	(2,816,040)
Change in MCO Tax Liability	23,859
Changes in Claims and Capitation Payable	5,289,503
Changes in IBNR	1,831,946
	86,363,082
Net Cash Flow from Operating Activities	\$ 86,363,082

STATEMENT OF CASH FLOWS - MONTHLY

	JUL 16	JUN 16	MAY 16
Cash Flow From Operating Activities			
Collected Premium	\$ 139,900,015	\$ -	\$ 52,454,183
Miscellaneous Income	116,679	88,734	107,346
State Pass Through Funds	3,989,455	-	1,964,539
Paid Claims			
Medical & Hospital Expenses	(28,963,402)	(27,969,909)	(41,959,956)
Pharmacy	(10,355,112)	(14,835,213)	(5,040,324)
Capitation	(4,788,985)	(4,748,403)	(5,136,940)
Reinsurance of Claims	(259,438)	(295,919)	(293,872)
State Pass Through Funds Distributed	(3,832,229)	-	(11,194,602)
Paid Administration	(9,443,901)	(6,465,043)	(4,683,287)
MCO Tax Received / (Paid)	-	(2,142,737)	(2,413,406)
Net Cash Provided / (Used) by Operating Activities	86,363,082	(56,368,491)	(16,196,319)
Cash Flow From Investing / Financing Activities			
Net Acquisition / Proceeds from Investments	(315,372)	29,890,017	(72,829)
Net Discount / Premium Amortization of Investments	103,188	109,983	72,829
Net Acquisition of Property / Equipment	(67,387)	(367,442)	(216,885)
Net Cash Provided / (Used) by Investing / Financing	(279,571)	29,632,559	(216,885)
Net Cash Flow	\$ 86,083,511	\$ (26,735,932)	\$ (16,413,204)
Cash and Cash Equivalents (Beg. of Period)	144,092,466	170,828,399	187,241,603
Cash and Cash Equivalents (End of Period)	230,175,977	144,092,466	170,828,399
	\$ 86,083,511	\$ (26,735,932)	\$ (16,413,204)
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	4,289,622	18,034,156	478,664
Net Discount / Premium Amortization of Investments	(103,188)	(109,983)	(72,829)
Depreciation & Amortization	56,219	55,991	53,756
Decrease / (Increase) in Receivables	75,020,670	(83,473,852)	(2,932,297)
Decrease / (Increase) in Prepays & Other Current As	(462,721)	(842,539)	209,397
(Decrease) / Increase in Payables	3,233,211	6,485,123	(16,264,065)
(Decrease) / Increase in Other Liabilities	(2,816,040)	(939,374)	2,085,626
Change in MCO Tax Liability	23,859	1,087,215	1,190,081
Changes in Claims and Capitation Payable	5,289,503	10,088,580	884,528
Changes in IBNR	1,831,946	(6,753,808)	(1,829,180)
	86,363,082	(56,368,491)	(16,196,319)
Net Cash Flow from Operating Activities	86,363,082	(56,368,491)	(16,196,319)

GOLD COAST HEALTH PLAN

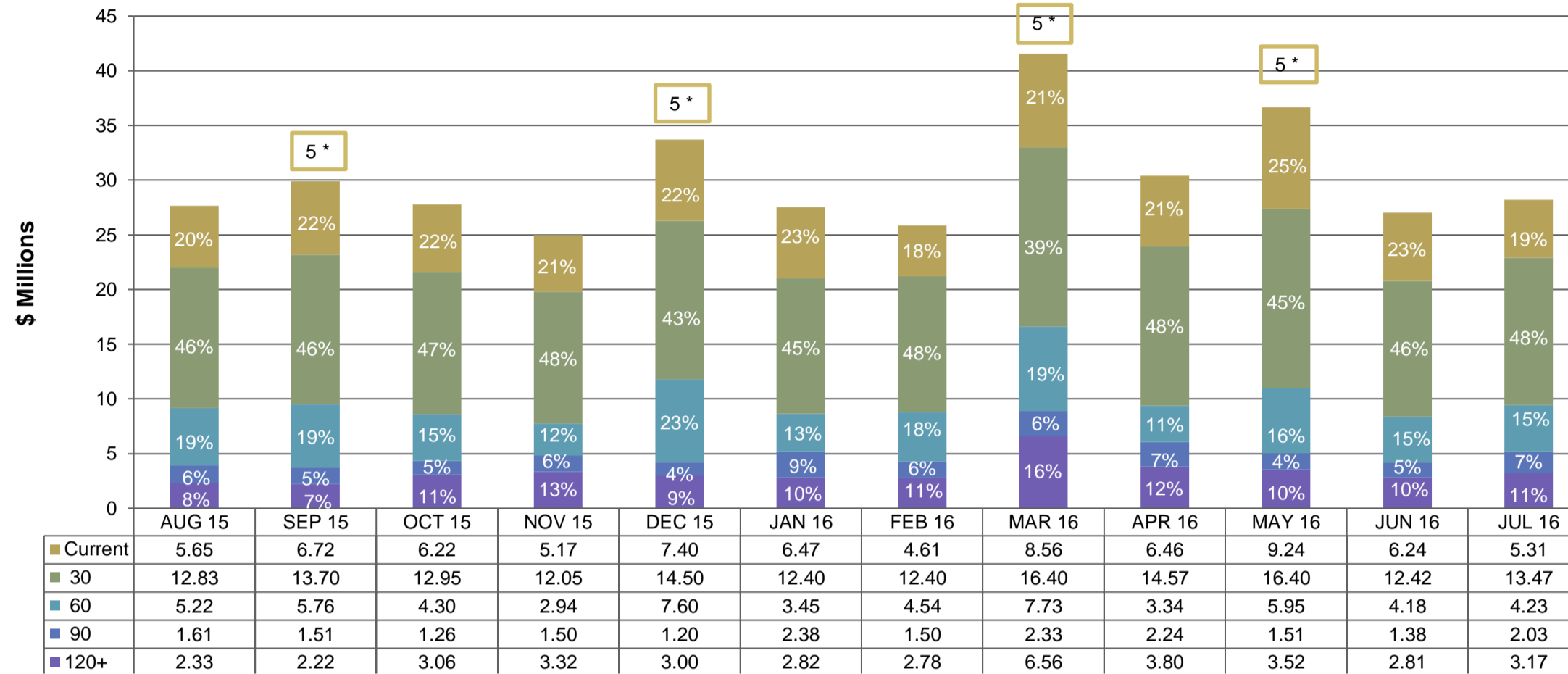
Membership - Rolling 12 Month



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

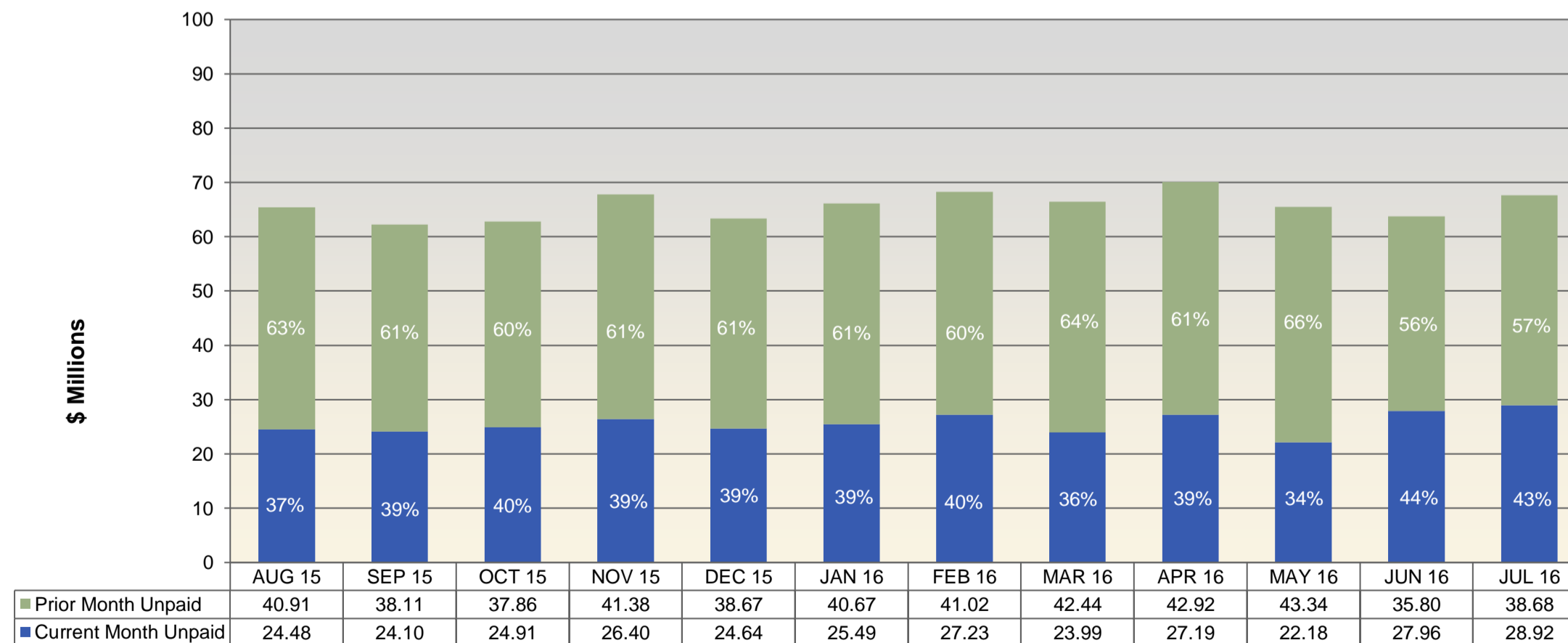
**GOLD COAST HEALTH PLAN
JULY 2016**

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.

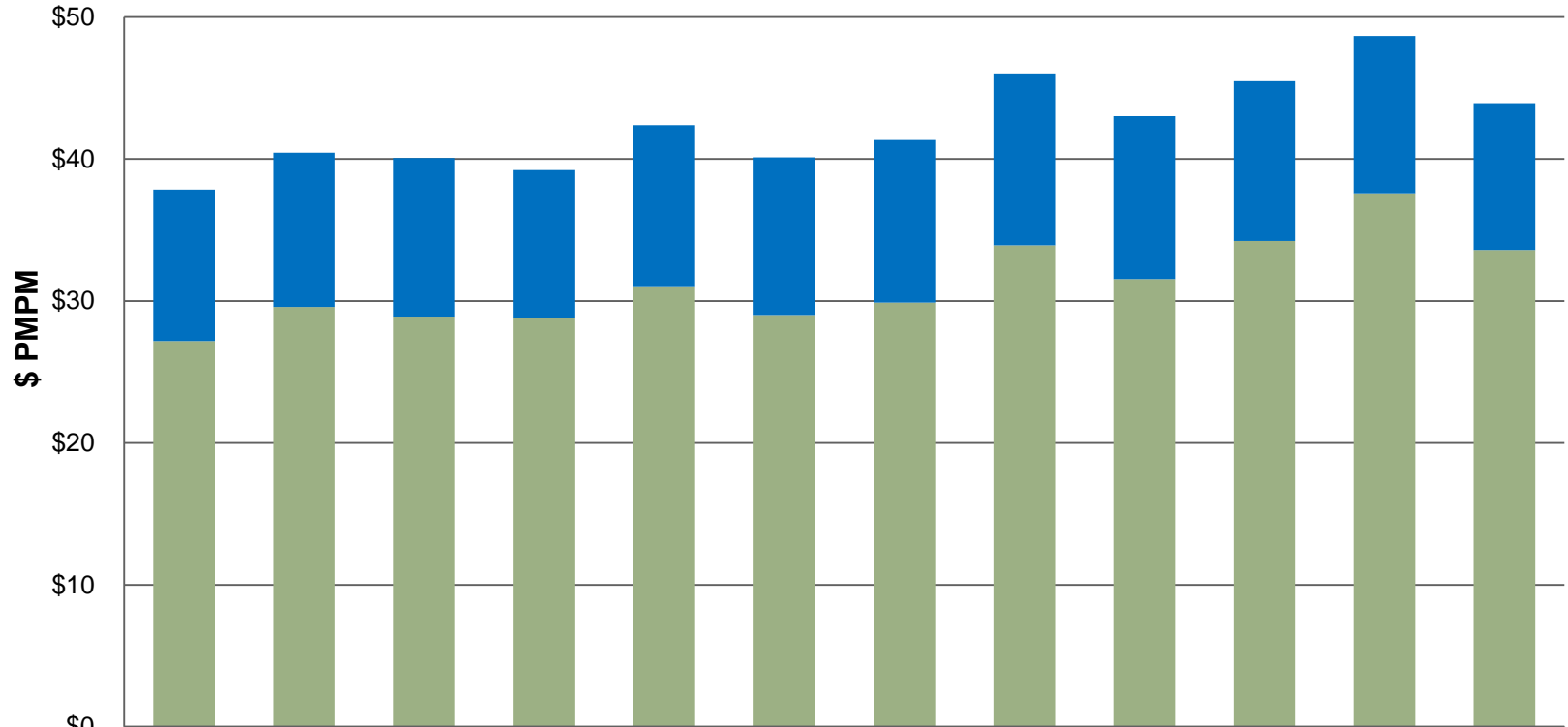
IBNP Composition (excluding Pharmacy and Capitation)



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

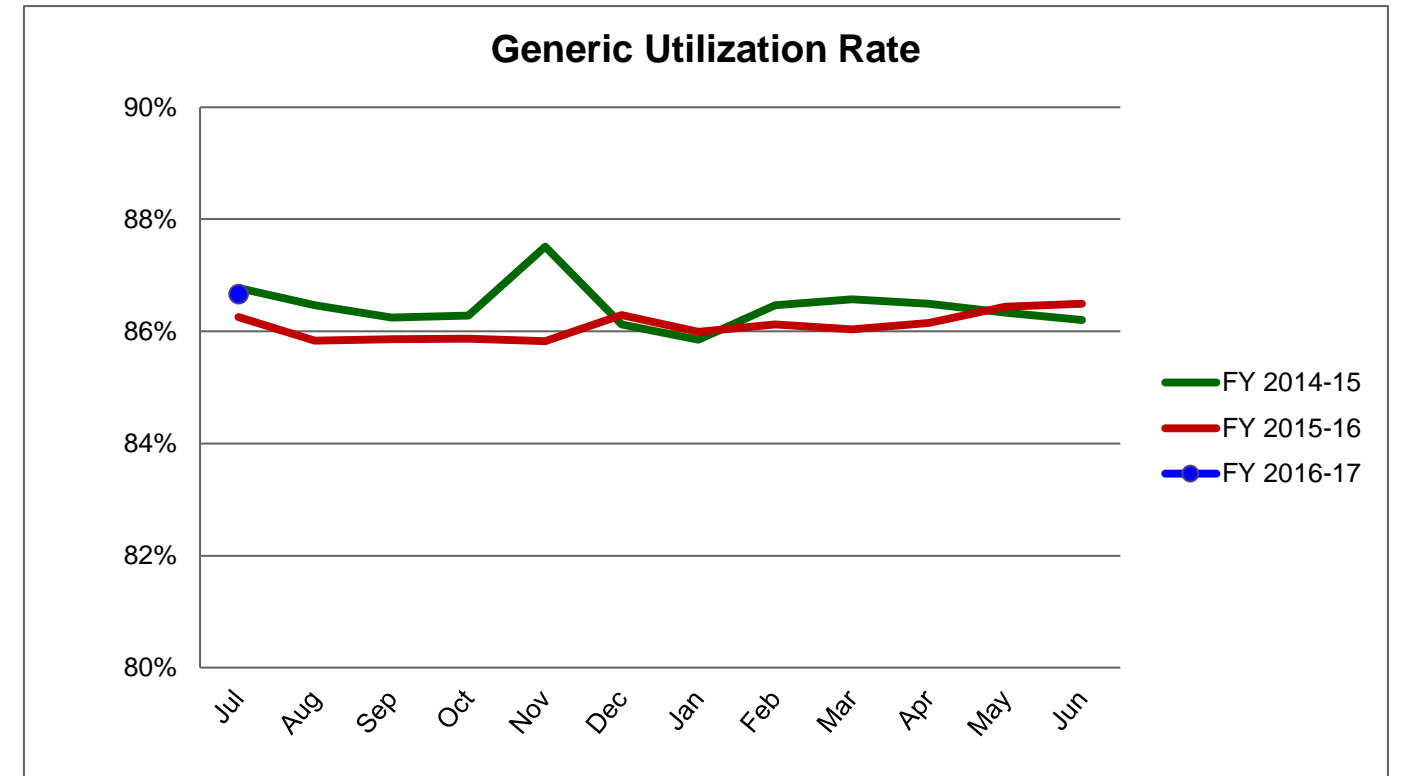
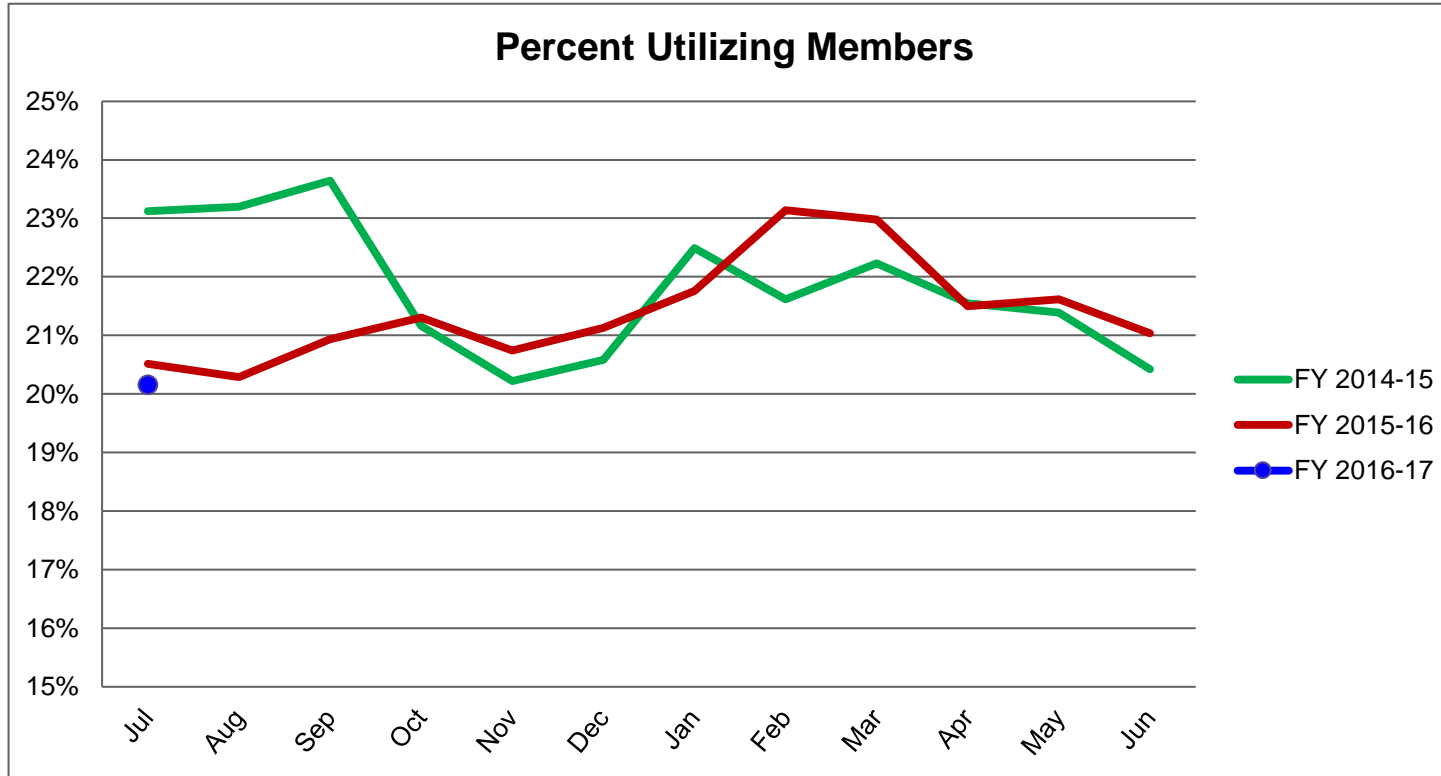
GOLD COAST HEALTH PLAN

Pharmacy Cost Trend

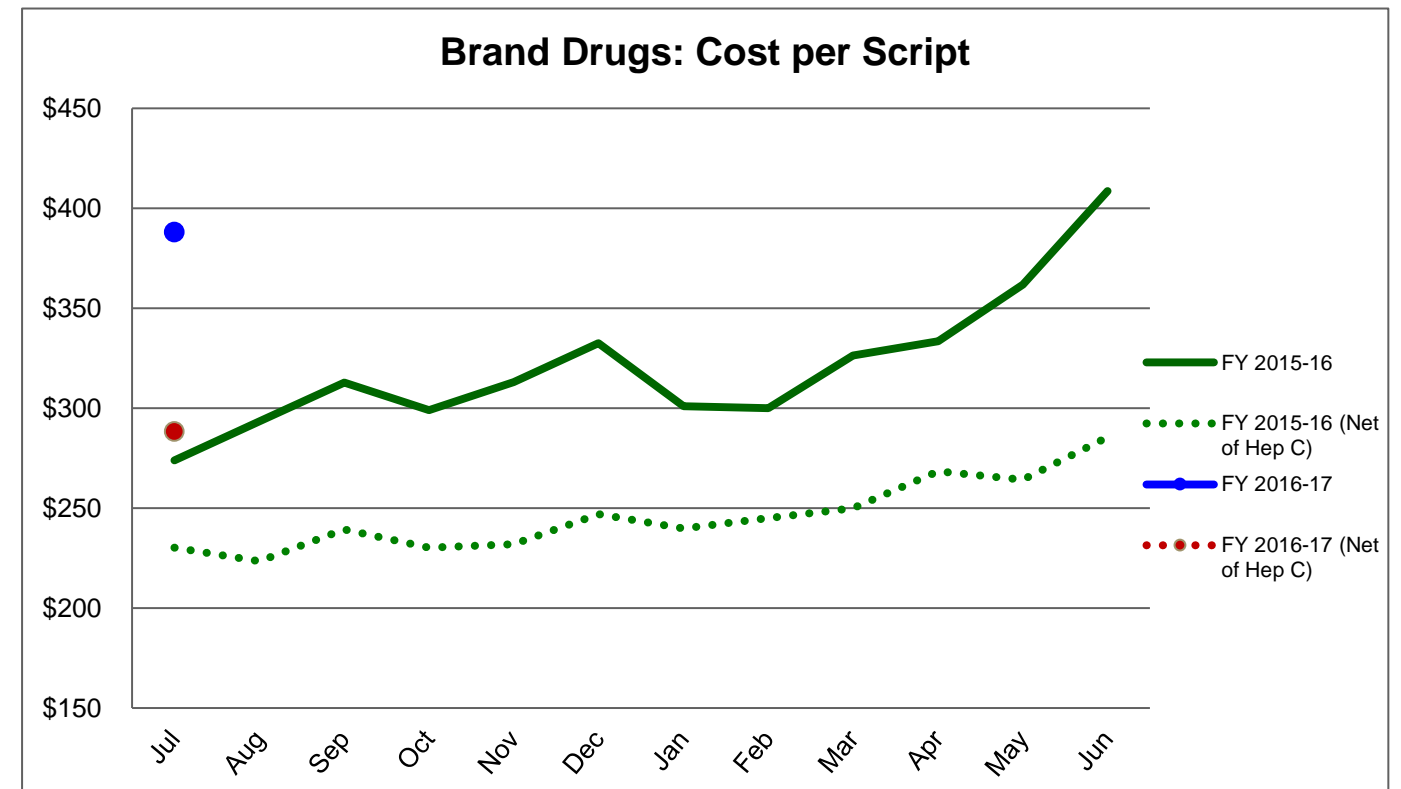
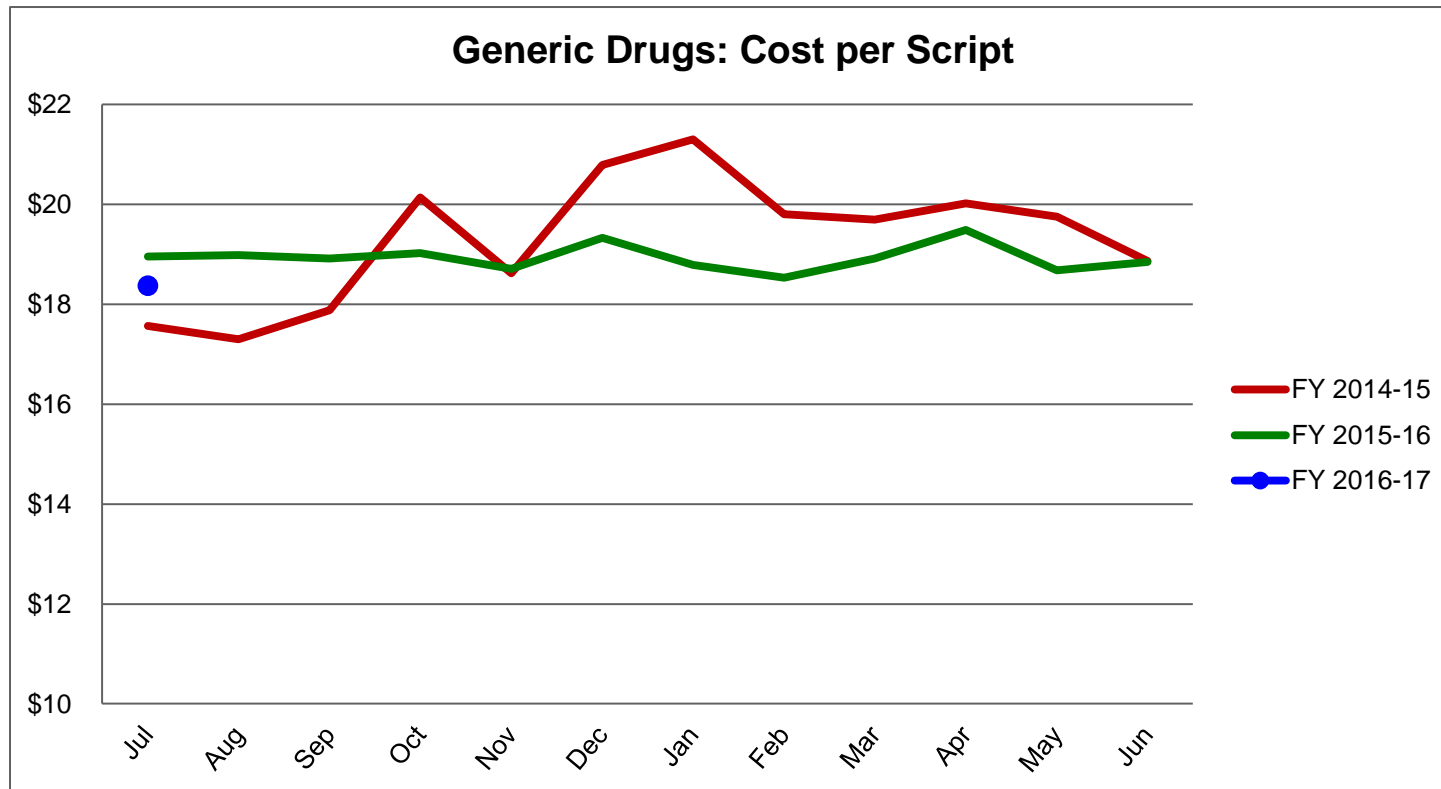


	AUG 15	SEP 15	OCT 15	NOV 15	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUN 16	JUL 16
AVG PMPM	\$37.84	\$40.43	\$40.07	\$39.21	\$42.39	\$40.11	\$41.33	\$46.03	\$43.01	\$45.48	\$48.67	\$43.93
■ GENERIC	\$10.66	\$10.86	\$11.17	\$10.42	\$11.35	\$11.11	\$11.45	\$12.11	\$11.47	\$11.26	\$11.09	\$10.34
■ BRAND	\$27.18	\$29.58	\$28.90	\$28.79	\$31.04	\$29.00	\$29.88	\$33.92	\$31.55	\$34.22	\$37.58	\$33.59

**GOLD COAST HEALTH PLAN
PHARMACY ANALYSIS**



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



AGENDA ITEM NO. 3

TO: Gold Coast Health Plan Executive Finance Committee
FROM: Nancy Wharfield, M.D., Associate Chief Medical Director
DATE: September 1, 2016
SUBJECT: Benefit Enhancement – Cardiac Rehabilitation

SUMMARY:

Gold Coast Health Plan (GCHP) seeks to add cardiac rehabilitation services as a benefit.

BACKGROUND:

Cardiac rehabilitation services are not a benefit under Fee for Service Medi-Cal. As a managed care Medi-Cal plan, GCHP can elect to add benefits that can further the goals of the Institute for Healthcare Improvement Triple Aim:

- Improving the patient experience of care (including quality and satisfaction)
- Improving the health of populations
- Reducing the per capita cost of health care

DISCUSSION:

The benefits of cardiac rehabilitation align with the framework of the Triple Aim. Cardiac rehabilitation is designed to help individuals with conditions such as heart or vascular disease return to a healthier and more productive life by providing a supervised program in the outpatient setting that involves medical evaluation, an ECG-monitored physical exercise program, cardiac risk factor modification, education, and counseling. Immediate benefits of cardiac rehabilitation include decreased chest pain, shortness of breath, and fatigue, and improvement in exercise tolerance, lipid levels, and psychosocial well-being, as well as a reduction in weight, cigarette smoking and stress. Additionally, there is a 20 – 30% reduction in mortality at 5 years for those who participate in cardiac rehabilitation and a reduction in recurrent heart attacks and an expected 30% drop in readmissions.

Cardiac rehabilitation may be indicated for members who have had heart attacks, open heart surgery, angina, or vascular disease. The number of recommended sessions varies by risk level and ranges from 6 sessions over 30 days to 36 sessions over 90 days.

FISCAL IMPACT:

The fiscal impact of offering cardiac rehabilitation to our members is expected to be near neutral. Factors which will affect the cost of offering this service will include the following:

- Appropriate selection of eligible members who will benefit most from cardiac rehabilitation through review of clinical guidelines in the utilization management process
- Number of sessions needed
- Decrease in readmission rate
- Decrease in length of stay with readmission
- Negotiated rate for cardiac rehabilitation services

We estimate there are between approximately 500 and 1500 members who could be referred for this service.

RECOMMENDATION:

The Plan recommends the Executive/Finance Committee approve cardiac rehabilitation as a benefit for presentation to the Ventura County MediCal Managed Care Commission.