Gold Coast Health Plan℠
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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, May 19, 2014
3:00 p.m.

AGENDA

CALL TO ORDER / ROLL CALL

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. Regular Meeting of April 24, 2014

2. CONSENT ITEMS
a. March Financials

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

ADMINISTRATIVE REPORTS RELATING TO THIS AGENDA AND MATERIALS RELATED TO AN AGENDA ITEM SUBMITTED TO THE 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 May 19, 2014 Commission Meeting Agenda *(continued)*
PLACE: 2240 E. Gonzalez, Room 200, Oxnard, CA
TIME: 3:00 p.m.

3. APPROVAL ITEMS

a. Report and Recommendation of Executive / Finance Committee (Nominating Committee) - Election of Chair and Vice-Chair
b. Begin Process to Secure Additional Medi-Cal Funds Through an InterGovernmental Transfer (IGT)
c. Resolution Amending Personnel Rules, Regulations and Policies
d. Adopt Amended Salary Schedule

4. ACCEPT AND FILE ITEMS

a. CEO Update
b. COO Update
c. Health Services Update

5. INFORMATIONAL ITEMS

a. GCHP Priorities & Initiatives for FY 2014-15 Budget Planning
b. FY 2014-15 Budget Development Process

CLOSED SESSION

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

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

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

i. 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)
ii. Sziklai et al. v. Ventura County Medi-Cal Managed Care Commission et al; Ventura County Superior Court, Case Number 56-2012-00428086

Announcement from Closed Session, if any.

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba
Gold Coast Health Plan May 19, 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 June 23, 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) Commission Meeting Minutes
April 28, 2014
(Not official until approved)

CALL TO ORDER

Legal Counsel Kierstyn Schreiner called the meeting to order at 3:04 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036 since there was currently a vacancy of the Chair and Vice Chair of the Commission.

SWEAR IN OF NEW COMMISSIONERS

Barry Fisher and Robert Wardwell were sworn in by Clerk of the Board McGinley.

ELECTION OF TEMPORARY CHAIR

Commissioner Foy offered to Chair the Commission Meeting. There being no additional nominations nor objections Commissioner Foy chaired the meeting.

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
Lanyard Dial, MD, Ventura County Medical Association
Barry Fisher, Ventura County Health Care Agency
Peter Foy, Ventura County Board of Supervisors
David Glyer, Private Hospitals / Healthcare System
Michelle Laba, MD, Ventura County Medical Center Executive Committee
Gagan Pawar, MD, Clinicas del Camino Real, Inc.
Dee Pupa, Ventura County Health Care Agency
Robert Wardwell, 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
Stacy Diaz, Human Resources Director
Anne Freese, Pharmacy Director

Steven Lalich, Communications Director
Vickie Lemmon, Health Services Director
Tami Lewis, Operations Director
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

PUBLIC COMMENT

Christina Velasco, CFO of Clinicas del Camino Real CFO, expressed concern with the untimely responses Clinicas has had from Beacon Health Strategies (GCHP's Managed Behavioral Health Organization Vendor). Clinicas CFO Velasco requested information as to where approximately 300 members referred by GCHP for mild to moderate mental services, as Clinicas did not receive any of those referrals. She also requested assistance from GCHP with Beacon.

COO Watson responded that she would have Network Operations Director Bennett contact Beacon regarding this matter and follow up with Clinicas as appropriate.

1. APPROVE MINUTES

a. Special Meeting of March 17, 2014

Legal Counsel Kierstyn Schreiner noted that the vote of *Item 2a, Ratification of Lease – 2220 E. Gonzales Road, Suite 200, Oxnard, CA,* should be noted be noted as follows:

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

Commissioner Pupa moved to approve the Special Meeting Minutes of March 17, 2014 as amended. Commissioner Araujo seconded. The motion carried with the following votes:

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

b. Regular Meeting of March 24, 2014\

Commissioner Araujo noted that "Special" needed to be deleted in the title Meeting.

Commissioner Araujo moved to approve the Regular Meeting Minutes of March 24, 2014 as amended. Commissioner Pupa seconded. The motion carried with the following votes:

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

2. CONSENT ITEMS

a. February Financials

Commissioner Pupa moved to approve the February Financials. Commissioner Dial seconded. The motion carried with the following votes:

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

3. APPROVAL ITEMS

a. DHCS Contract Amendment A11

CEO Engelhard noted that GCHP periodically receives contract amendments from DHCS. He reviewed the proposed changes outlined in Amendment A11. CEO Engelhard reviewed those changes and noted that the proposed rate change impact was already built into the FY 2013-14 revised budget that the Commission approved in January.

Commissioner Dial moved to approve contract amendment A11 and authorize the CEO to execute the DHCS contract amendment. Commissioner Araujo seconded. The motion carried with the following votes:

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

4. ACCEPT AND FILE ITEMS

a. CEO Update

CEO Engelhard reviewed the written report with the Commission.

Commissioner Alatorre moved Accept and File the CEO Update. Commissioner Berry seconded. The motion carried with the following votes:

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

b. COO Update

COO Watson provided an overview of the report.

Commissioner Glyer moved to Accept and File the COO Update. Commissioner Dial seconded. The motion carried with the following votes:

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

c. Health Services Update

Medical Director Health Services Dr. Wharfield provided an overview of the report. In response to a question raised regarding the low number of Grievances and Appeals Dr. Wharfield acknowledged that the numbers seem low state-wide. GCHP is getting additional information to Members regarding their rights and the processes for Grievances and Appeals.

Commissioner Araujo moved to Accept and File the Health Services Update. Commissioner Pupa seconded. The motion carried with the following votes:

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

4. INFORMATIONAL ITEMS

a. Compliance Officer Quarterly Report

CEO Engelhard noted that this is an information item and unless there were questions he wanted to update the Commission on the Medical Corrective Action Plan.

CLOSED SESSION

Legal Counsel Kierstyn Schreiner noted that Closed Session Item a, was not needed and therefore being pulled from the Agenda.

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

Legal Counsel Kierstyn Schreiner then explained the purpose of the remaining Closed Session Items.

ADJOURN TO CLOSED SESSION

The Commission adjourned to Closed Session at 3:48 p.m. regarding the following items:

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

RETURN TO OPEN SESSION

The Regular Meeting reconvened at 4:49 p.m.

Legal Counsel Kierstyn Schreiner stated there were no announcements from closed session.

3. APPROVAL ITEMS *(*Continued)

a. Adoption of Revised Salary Range for CEO

b. Termination of Existing CEO Employment Agreement and Approval of New CEO Employment Agreement

Commissioner Dial moved to terminate the existing CEO Employment Agreement and approve the new CEO Employment Agreement. Commissioner Araujo seconded. The motion carried with the following votes:

AYE: Alatorre, Araujo, Berry, Dial, Fisher, Foy, Glyer, Laba, Pawar, Pupa and Wardwell.

NAY: None.
ABSTAIN: None.
ABSENT: None.

COMMENTS FROM COMMISSIONERS

Commissioner Foy commented on the need and importance of establishing a process for goal setting and the evaluation of the CEO. Commissioners Araujo and Pupa agreed

ADJOURNMENT

Meeting adjourned at 4:59 p.m.

AGENDA ITEM 2a

To: Gold Coast Health Plan Commission

From: Michelle Raleigh, Chief Financial Officer

Date: May 19, 2014

Re: March 2014 Financials

SUMMARY

Staff is presenting the attached March 2014 financial statements of Gold Coast Health Plan (Plan) for review by the Commission. These financials were reviewed by the Executive/Finance Committee on May 7.th where the Committee recommended approval of these financials to the Commission.

BACKGROUND / DISCUSSION

The Plan has prepared the March 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 $15.6 million compared to $12.7 million assumed in the budget. These operating results have contributed to a Tangible Net Equity (TNE) level of approximately $27.5 million, which exceeds both the budget of $24.5 million by $3.0 million and the State required TNE amount as of March 31st of $15.1 million (84% of $18.0 million, which is the amount needed to achieve 100% of the calculated TNE requirement) by $12.4 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. On the "Financial Overview" page attached, the YTD TNE excludes the Affordable Care Act (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.

March 2014 Results

Other items to note for the month include:

Membership - March membership of 136,917 exceeded budget by 2,018 members. This is a 14% increase from the 12/31/13 total of 120,275 and a 35% increase over March 2013 enrollment of 101,443.

Revenue – March net revenue was $37.7 million or $0.6 million less than budget of $38.3 million. On a per member per month (PMPM) basis, net revenue was $275.63 PMPM which was $8.23 PMPM less than budget of $283.84 PMPM. The variance is driven by:

- Membership mix being different than estimated in the budget, primarily driven by lower than expected Adult Expansion membership of approximately 1,600 members below budget, resulting in revenue of approximately $1.1 million lower.
- Gains in other membership categories (particularly Adult/Family and TLIC) helped to mitigate the revenue shortfall with approximately $0.5 million of offsetting revenue gains above budget for those categories.

Health Care Costs – Heath care costs for March were $34.2 million and were $0.3 million better than budget. On a PMPM basis, reported health care costs were $249.87 PMPM versus a budgeted amount of $255.64. Highlights of March variances include:

- Inpatient – The increase was seen mainly in trailing claims for January and February, with more inpatient days than anticipated.
- Long-Term Care – Last month's accrual for estimated AB1629 rate increases due to selected facilities was updated to also include the March estimate of payment due.
- Outpatient – A slight downward trend since January has occurred. More importantly, a substantial amount of refunds and adjustments related to prior months' outpatient services was processed in March, leading to reduced reserve calculations.
- Pharmacy – Pharmacy expense have risen substantially, due in part to the new Adult Expansion population and a new Hepatitis C drug (Sovaldi). However, the increase in utilization among the new population has not achieved the rate as expected in the revised budget.

As with February reported financials, the March financials reflect an estimated 85% MLR for pharmacy. However the additional reserve still results in a total expense below budget. Other services will be evaluated as claims data is received. The Plan consulted with its auditing firm and it agreed with the way the Plan is currently reporting this contract provision.

Administrative Expenses – For the month, overall operational costs were $2.2 million or $0.3 million better than budget. The favorable variance resulted primarily from lower than forecasted personnel costs due to timing of new hires versus budget projections. The headcount at March 31st was 112 versus a budget of 132. In addition, a budgeted mailing of address change notices was not required resulting in savings of $75K, resulting in a positive variance in Shipping & Postage.

Cash + Medi-Cal Receivable - The total of Cash and Medi-Cal Premium Receivable balances of $122.3 million reported as of March 31, 2014 included a MCO Tax component amounting to $17.6 million. Excluding the impact of the tax, the total of Cash and Medi-Cal Receivable balance as of March 31, 2014 was $104.7 million, or $14.5 million better than the budgeted level of $86.3 million.

Note that 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 preparing the March 2014 financials. This adjustment had no impact on the Plan's net income or TNE.

As noted in the Monthly Cash Flow report are provider payments made in March for ACA 1202 and AB85.

As noted previously, 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 progressed with substantial completion in April. The move was achieved as planned on April 7th. 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 March was approximately $261,883.

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

CONCURRENCE
Executive / Finance Committee, May 7, 2014

Attachment
March 2014 Financial Package

Gold Coast Health Plan℠
A Public Entity

FINANCIAL PACKAGE
For the month ended March 31, 2014

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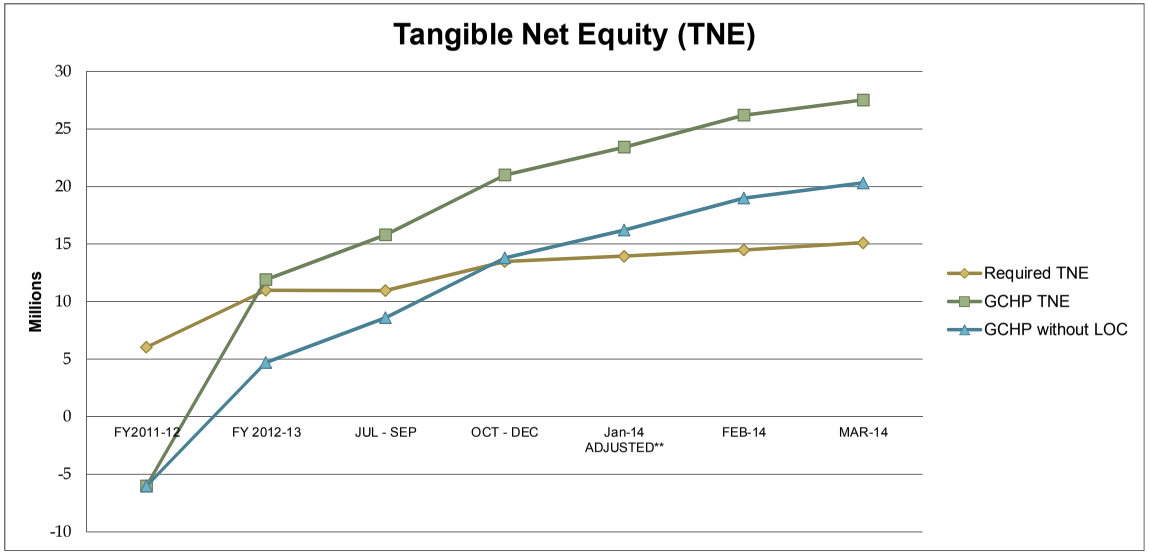
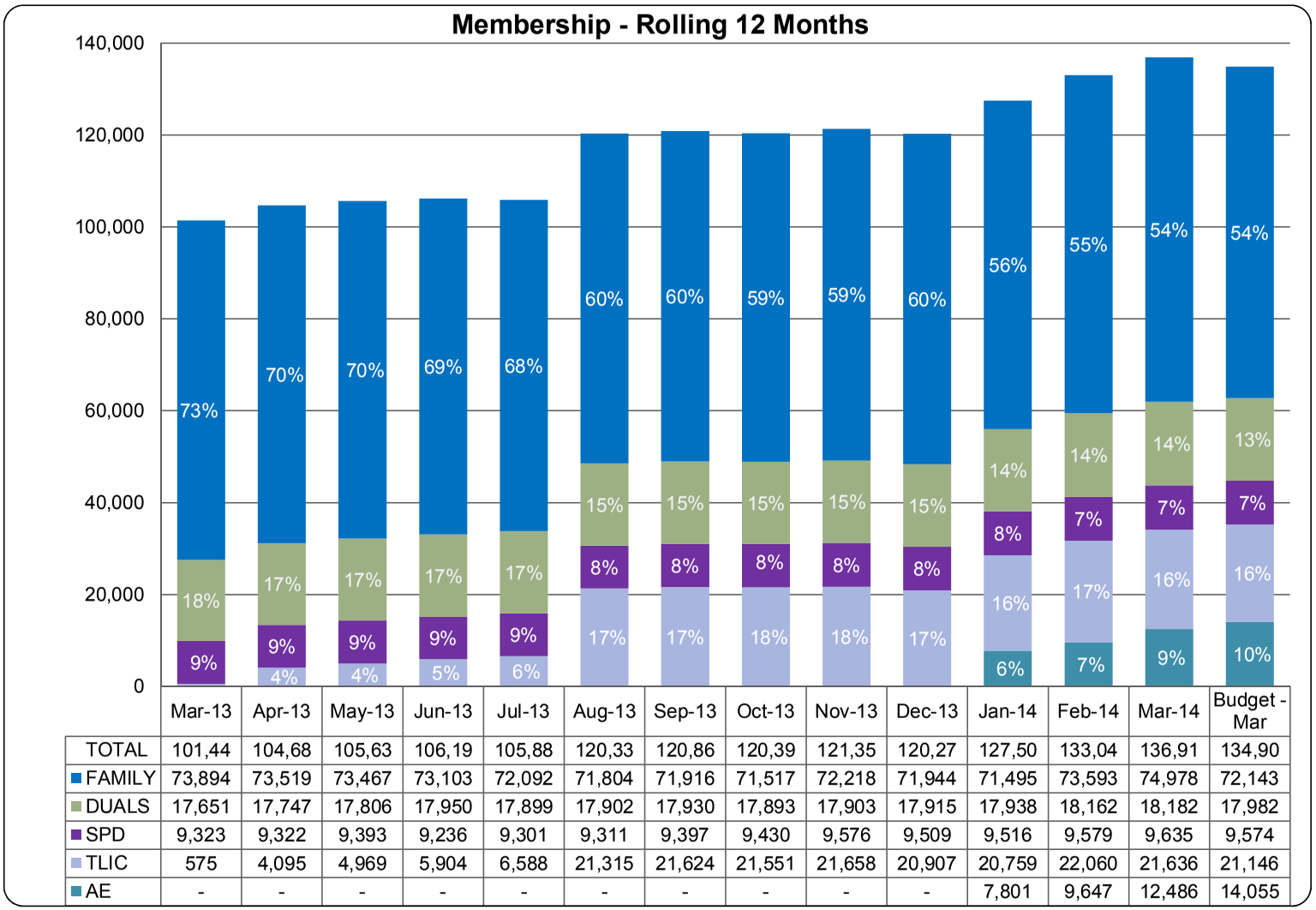
Financial Overview

Description	AUDITED* FY2011-12	AUDITED* FY 2012-13	UNAUDITED FY 2013-14 Actual JUL - SEP	OCT - DEC	Jan-14 ADJUSTED* *	FEB-14	MAR-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	136,917	**1,106,567**	**1,104,846**	1,721	0.2 %
Revenue	**304,635,932**	**315,119,611**	**81,988,709**	**84,070,456**	**33,239,770**	**35,881,985**	**37,739,031**	**272,919,951**	**274,989,257**	(2,069,306)	(0.8)%
pmpm	*242.12*	*257.47*	*236.22*	*232.23*	*260.69*	*269.71*	*275.63*	*246.64*	*248.89*	(2.26)	(0.9)%
Health Care Costs	**287,353,672**	**280,382,704**	**71,875,533**	**72,867,512**	**28,583,258**	**30,952,027**	**34,211,809**	**238,490,139**	**243,062,002**	4,571,863	1.9 %
pmpm	*228.39*	*229.09*	*207.09*	*201.28*	*224.17*	*232.65*	*249.87*	*215.52*	*220.00*	4.47	2.0 %
% of Revenue	94.3%	89.0%	87.7%	86.7%	86.0%	86.3%	90.7%	87.4%	88.4%	-1.0%	-1.1%
Admin Exp	**18,891,320**	**24,013,927**	**6,202,007**	**6,014,475**	**2,245,874**	**2,154,133**	**2,197,102**	**18,813,593**	**19,269,402**	455,810	2.4 %
pmpm	*15.01*	*19.62*	*17.87*	*16.61*	*17.61*	*16.19*	*16.05*	*17.00*	*17.44*	0.44	2.5 %
% of Revenue	6.2%	7.6%	7.6%	7.2%	6.8%	6.0%	5.8%	6.9%	7.0%	0.1%	1.6%
Net Income	**(1,609,063)**	**10,722,980**	**3,911,169**	**5,188,469**	**2,410,637**	**2,775,825**	**1,330,120**	**15,616,219**	**12,657,852**	2,958,367	23.4 %
pmpm	*(1.28)*	*8.76*	*11.27*	*14.33*	*18.91*	*20.86*	*9.71*	*14.11*	*11.46*	2.66	23.2 %
% of Revenue	-0.5%	3.4%	4.8%	6.2%	7.3%	7.7%	3.5%	5.7%	4.6%	1.1%	24.3%
100% TNE	16,769,368	16,138,440	16,112,437	16,056,217	16,597,381	17,247,717	17,988,276	17,988,276	17,809,708	178,568	1.0 %
% TNE Required	36%	68%	68%	84%	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	15,110,152	15,110,152	14,960,154	149,997	1.0 %
GCHP TNE	**(6,031,881)**	**11,891,099**	**15,802,268**	**20,990,738**	**23,401,375**	**26,177,200**	**27,507,320**	**27,507,320**	**24,548,952**	**2,958,367**	**12.1 %**
TNE Excess / (Deficiency)	**(12,068,853)**	**916,960**	**4,845,810**	**7,503,516**	**9,459,575**	**11,689,117**	**12,397,168**	**12,397,168**	**9,588,798**	**2,808,370**	**29.3 %**

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





	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Budget - Mar
TOTAL	101,44	104,68	105,63	106,19	105,88	120,33	120,86	120,39	121,35	120,27	127,50	133,04	136,91	134,90
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	74,978	72,143
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	18,182	17,982
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	9,635	9,574
TLIC	575	4,095	4,969	5,904	6,588	21,315	21,624	21,551	21,658	20,907	20,759	22,060	21,636	21,146
AE	-	-	-	-	-	-	-	-	-	-	7,801	9,647	12,486	14,055

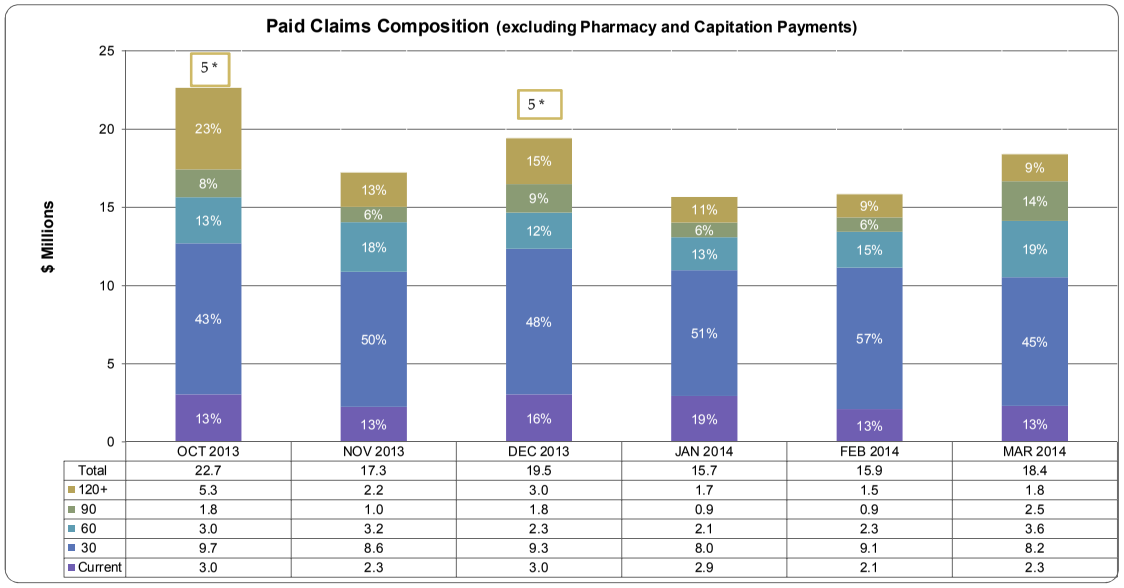
SPD = Seniors and Persons with Disabilities
TLIC = Targeted Low Income Children
AE = Adult Expansion

Income Statement Monthly Trend

	FY2013-14 Monthly Trend			Current Month		
	DEC 2013	JAN 2014	FEB 2014	MAR 2014		Variance
				Actual	Budget	Fav/(Unfav)
Membership (includes retro members)	120,275	127,509	133,041	136,917	134,899	2,018
Revenue:						
Premium	$ 29,047,006	$ 40,250,143	$ 37,669,204	$ 39,652,832	$ 40,073,630	$ (420,798)
Reserve for Rate Reduction	(281,754)	(425,684)	(387,418)	(440,736)	(257,603)	(183,133)
MCO Premium Tax	(1,110,666)	(1,467,377)	(1,451,360)	(1,529,127)	(1,577,899)	48,772
Total Net Premium	**27,654,585**	**38,357,083**	**35,830,427**	**37,682,970**	**38,238,128**	**(555,158)**
Other Revenue:						
Interest Income	12,031	11,688	14,272	17,728	12,824	4,904
Miscellaneous Income	38,333	38,333	37,286	38,333	38,333	-
Total Other Revenue	50,364	50,021	51,559	56,061	51,157	4,904
Total Revenue	**27,704,949**	**38,407,105**	**35,881,985**	**37,739,031**	**38,289,285**	**(550,254)**
Medical Expenses:						
Capitation (PCP, Specialty, Kasier, NEMT & Visio	1,610,161	1,609,561	1,679,455	1,704,134	1,668,928	(35,206)
FFS Claims Expenses:						
Inpatient	4,491,812	5,733,670	5,139,891	7,940,779	7,512,141	(428,638)
LTC/SNF	6,923,947	6,871,300	7,988,436	7,256,361	6,066,456	(1,189,906)
Outpatient	3,189,204	3,582,927	3,057,728	2,631,325	3,419,904	788,579
Laboratory and Radiology	111,157	352,687	450,809	609,596	536,348	(73,248)
Physician ACA 1202	***-***	***5,167,335***	***104,094***	***102,189***	***-***	***(102,189)***
Emergency Room	729,901	850,311	871,674	975,817	1,058,665	82,848
Physician Specialty	2,305,009	2,353,215	1,930,722	2,433,750	2,674,527	240,777
Mental Health Services	-	225,017	233,276	254,043	191,825	(62,218)
Pharmacy	3,210,998	3,863,088	5,657,345	5,648,117	6,526,499	878,382
Other Medical Professional	149,068	141,578	192,695	218,265	189,603	(28,662)
Other Medical Care	3,608	(1,935)	-	3,645	-	(3,645)
Other Fee For Service	1,645,707	2,634,006	2,870,527	3,250,414	3,430,063	179,649
Transportation	67,551	86,625	83,111	79,919	89,403	9,484
Total Claims	22,827,961	31,859,823	28,580,309	31,404,220	31,695,434	291,214
Medical & Care Management Expense	830,780	824,092	774,659	828,605	914,815	86,209
Reinsurance	(1,553,135)	(395,380)	104,962	308,761	206,395	(102,366)
Claims Recoveries	(259,182)	(147,503)	(187,358)	(33,912)	-	33,912
Sub-total	(981,537)	281,209	692,263	1,103,455	1,121,210	17,755
Total Cost of Health Care	**23,456,586**	**33,750,593**	**30,952,027**	**34,211,809**	**34,485,572**	**273,763**
Contribution Margin	**4,248,363**	**4,656,511**	**4,929,959**	**3,527,222**	**3,803,713**	**(276,491)**
General & Administrative Expenses:						
Salaries and Wages	592,047	596,197	577,942	584,952	656,716	71,764
Payroll Taxes and Benefits	151,109	187,611	90,406	144,143	153,081	8,939
Travel and Training	4,315	4,276	9,270	7,364	13,724	6,360
Outside Service - ACS	940,933	968,191	1,024,850	1,044,479	1,061,303	16,824
Outside Services - Other	19,158	79,142	180,177	82,663	103,154	20,491
Accounting & Actuarial Services	12,500	56,250	14,226	29,239	13,333	(15,905)
Legal	88,066	114,004	47,032	71,044	36,340	(34,704)
Insurance	13,265	9,615	12,477	12,120	10,792	(1,328)
Lease Expense - Office	25,980	28,480	28,979	28,979	38,480	9,501
Consulting Services	42,604	46,831	53,700	57,096	94,977	37,882
Translation Services	3,602	8,387	2,554	5,197	2,417	(2,780)
Advertising and Promotion	1,883	-	790	(790)	23,110	23,900
General Office	115,766	96,638	83,285	73,897	122,066	48,168
Depreciation & Amortization	7,015	7,015	7,015	7,015	34,708	27,693
Printing	2,022	10,344	862	21,503	10,456	(11,047)
Shipping & Postage	562	14,021	5,822	464	77,995	77,531
Interest	18,828	18,873	14,746	27,738	10,896	(16,842)
Total G & A Expenses	**2,039,656**	**2,245,874**	**2,154,133**	**2,197,102**	**2,463,549**	**266,446**
Net Income / (Loss)	**$ 2,208,708**	**$ 2,410,637**	**$ 2,775,825**	**$ 1,330,120**	**$ 1,340,165**	**$ (10,045)**

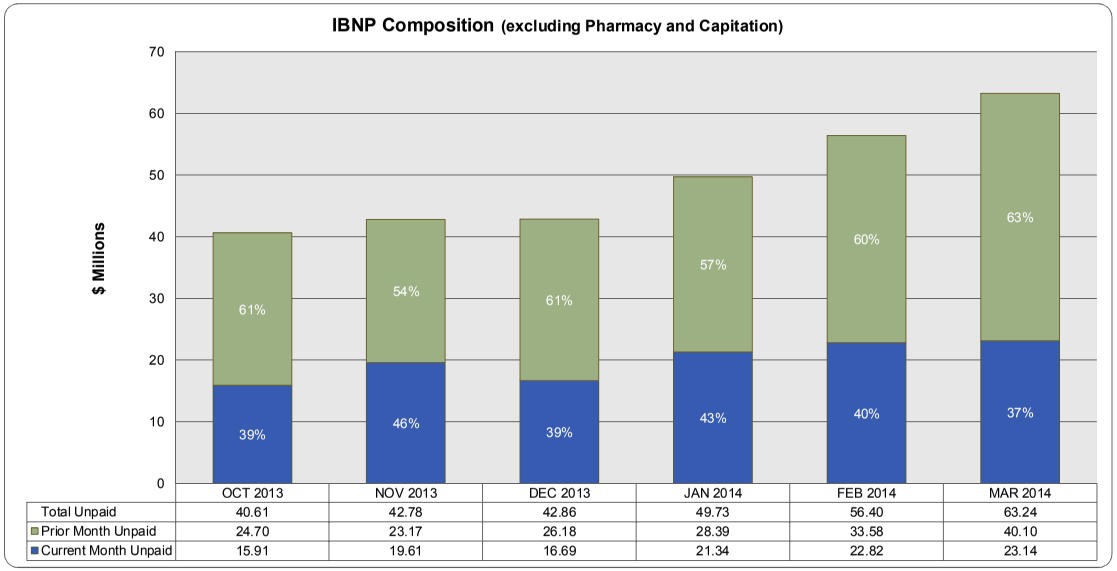
PMPM Income Statement Comparison

	Actual Monthly			MAR 2014		Variance
	DEC 2013	JAN 2014	FEB 2014	Actual	Budget	Fav/(Unfav)
Membership (includes retro members)	120,275	127,509	133,041	136,917	134,899	2,018
Revenue:						
Premium	241.50	283.14	283.14	289.61	297.06	(7.45)
Reserve for Rate Reduction	(2.34)	(2.91)	(2.91)	(3.22)	(1.91)	(1.31)
MCO Premium Tax	(9.23)	(10.91)	(10.91)	(11.17)	(11.70)	0.53
Total Net Premium	**229.93**	**269.32**	**269.32**	**275.22**	**283.46**	**(8.23)**
Other Revenue:						
Interest Income	0.10	0.11	0.11	0.13	0.10	0.03
Miscellaneous Income	0.32	0.28	0.28	0.28	0.28	(0.00)
Total Other Revenue	**0.42**	**0.39**	**0.39**	**0.41**	**0.51**	**(0.10)**
Total Revenue	**230.35**	**269.71**	**269.71**	**275.63**	**283.84**	**(8.20)**
Medical Expenses:						
Capitation (PCP, Specialty, Kasier, NEMT & Visio	13.39	12.62	12.62	12.45	12.37	0.07
FFS Claims Expenses:						
Inpatient	37.35	38.63	38.63	58.00	55.69	(2.31)
LTC/SNF	57.57	60.04	60.04	53.00	44.97	(8.03)
Outpatient	26.52	22.98	22.98	19.22	25.35	6.13
Laboratory and Radiology	0.92	3.39	3.39	4.45	3.98	(0.48)
Physician ACA 1202	-	0.78	0.78	0.75	-	(0.75)
Emergency Room	6.07	6.55	6.55	7.13	7.85	0.72
Physician Specialty	19.16	14.51	14.51	17.78	19.83	2.05
Mental Health Services	-	1.75	1.75	1.86	1.42	(0.43)
Pharmacy	26.70	42.52	42.52	41.25	48.38	7.13
Other Medical Professional	1.24	1.45	1.45	1.59	1.41	(0.19)
Other Medical Care	0.03	-	-	0.03	-	(0.03)
Other Fee For Service	13.68	21.58	21.58	23.74	25.43	1.69
Transportation	0.56	0.62	0.62	0.58	0.66	0.08
Total Claims	189.80	214.82	214.82	229.37	234.96	5.59
Medical & Care Management Expense	6.91	5.82	5.82	6.05	6.78	0.73
Reinsurance	(12.91)	0.79	0.79	2.26	1.53	(0.73)
Claims Recoveries	(2.15)	(1.41)	(1.41)	(0.25)	-	0.25
Sub-total	(8.16)	5.20	5.20	8.06	8.31	0.25
Total Cost of Health Care	**195.02**	**232.65**	**232.65**	**249.87**	**255.64**	**5.77**
Contribution Margin	**35.32**	**37.06**	**37.06**	**25.76**	**28.20**	**(2.44)**
General & Administrative Expenses:						
Salaries and Wages	4.92	4.34	4.34	4.27	4.87	0.60
Payroll Taxes and Benefits	1.26	0.68	0.68	1.05	1.13	0.08
Travel and Training	0.04	0.07	0.07	0.05	0.10	0.05
Outside Service - ACS	7.82	7.70	7.70	7.63	7.87	0.24
Outside Services - Other	0.16	1.35	1.35	0.60	0.76	0.16
Accounting & Actuarial Services	0.10	0.11	0.11	0.21	0.10	(0.11)
Legal	0.73	0.35	0.35	0.52	0.27	(0.25)
Insurance	0.11	0.09	0.09	0.09	0.08	(0.01)
Lease Expense - Office	0.22	0.22	0.22	0.21	0.29	0.07
Consulting Services	0.35	0.40	0.40	0.42	0.70	0.29
Translation Services	0.03	0.02	0.02	0.04	0.02	(0.02)
Advertising and Promotion	0.02	0.01	0.01	(0.01)	0.17	0.18
General Office	0.96	0.63	0.63	0.54	0.90	0.37
Depreciation & Amortization	0.06	0.05	0.05	0.05	0.26	0.21
Printing	0.02	0.01	0.01	0.16	0.08	(0.08)
Shipping & Postage	0.00	0.04	0.04	0.00	0.58	0.57
Interest	0.16	0.11	0.11	0.20	0.08	(0.12)
Total G & A Expenses	**16.96**	**16.19**	**16.19**	**16.05**	**18.26**	**2.22**
Net Income / (Loss)	**18.36**	**20.86**	**20.86**	**9.71**	**9.93**	**(0.22)**



	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014
Total	22.7	17.3	19.5	15.7	15.9	18.4
120+	5.3	2.2	3.0	1.7	1.5	1.8
90	1.8	1.0	1.8	0.9	0.9	2.5
60	3.0	3.2	2.3	2.1	2.3	3.6
30	9.7	8.6	9.3	8.0	9.1	8.2
Current	3.0	2.3	3.0	2.9	2.1	2.3

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.



	OCT 2013	NOV 2013	DEC 2013	JAN 2014	FEB 2014	MAR 2014
Total Unpaid	40.61	42.78	42.86	49.73	56.40	63.24
Prior Month Unpaid	24.70	23.17	26.18	28.39	33.58	40.10
Current Month Unpaid	15.91	19.61	16.69	21.34	22.82	23.14

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

For the month ended March 31, 2014

APPENDIX

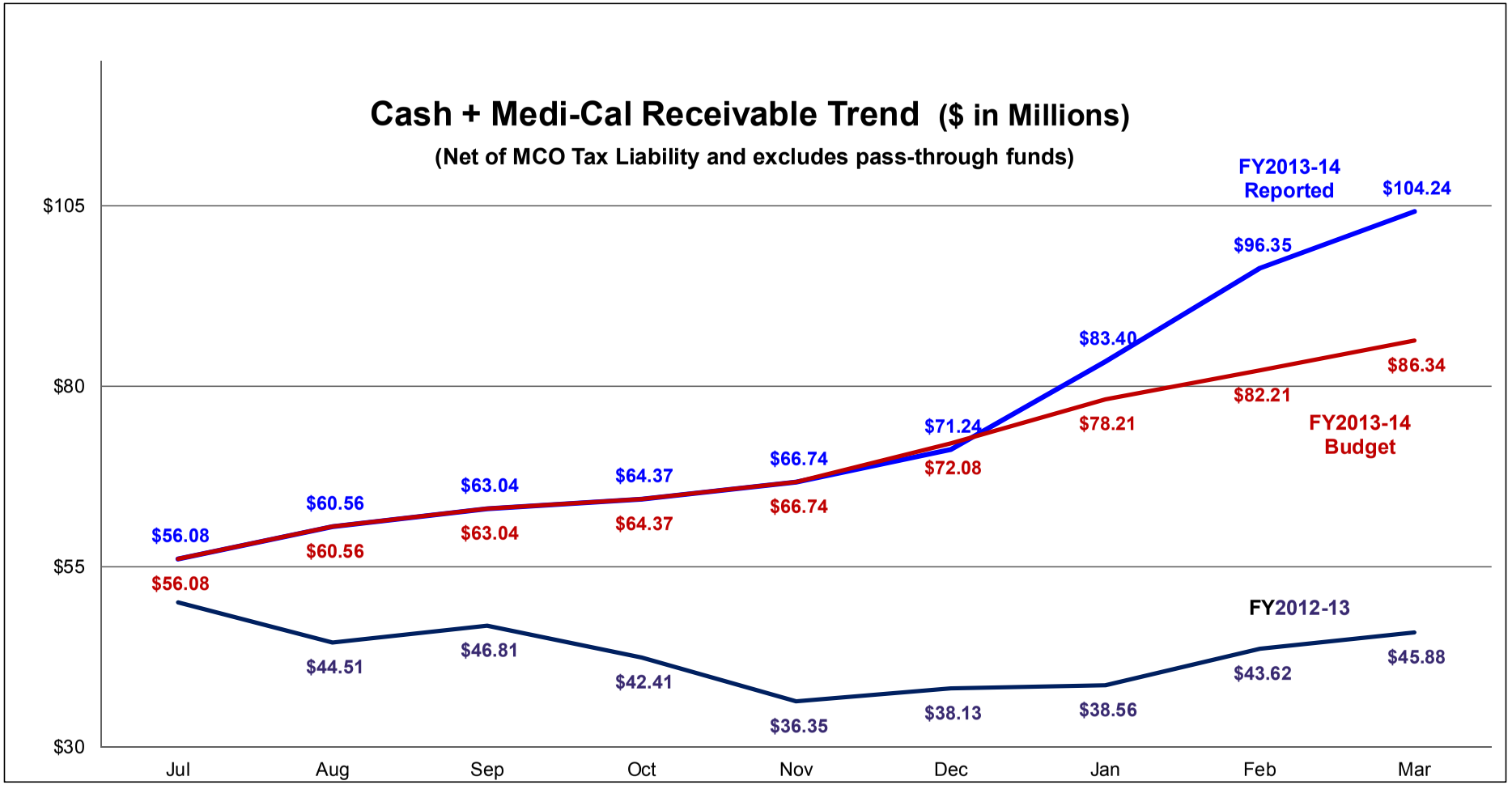
- Comparative Balance Sheet
- Cash & Medi-Cal Receivable Trend
- Statements of Cash Flow
- YTD Income Statement
- Total Expenditure Composition
- Pharmacy Cost & Utilization Trends

Comparative Balance Sheet

	3/31/14	2/28/14	Audited FY 2012-13	
ASSETS				
Current Assets				
Total Cash and Cash Equivalents	**$ 73,664,068**	**$ 68,790,390**	**$50,817,760**	
Medi-Cal Receivable*	48,613,745	52,050,271	11,683,076	Refer to note below
Provider Receivable	150,150	425,870	1,161,379	
Other Receivables	173,318	178,153	300,397	
Total Accounts Receivable	**48,937,213**	**52,654,294**	**13,144,852**	
Total Prepaid Accounts	623,292	720,548	324,419	
Total Other Current Assets	299,093	251,438	10,000	
Total Current Assets	**123,523,665**	**122,416,670**	**64,297,030**	
Total Fixed Assets	**1,364,847**	**1,234,241**	**230,913**	
Total Assets	**$ 124,888,513**	**$ 123,650,911**	**$ 64,527,943**	
LIABILITIES & FUND BALANCE				
Current Liabilities				
Incurred But Not Reported	$ 61,100,924	$ 53,809,826	$ 29,901,103	
Claims Payable	7,509,972	6,477,413	9,748,676	
Capitation Payable	1,388,007	1,366,703	1,002,623	
Physician ACA 1202 Payable	3,357,133	5,271,429	-	Partial ACA 1202 payment made to qualifying providers
AB85 Payable	525,951	735,137		AB85 payment made to County
Accrued Premium Reduction	2,096,754	1,656,018	-	
Accounts Payable	208,214	238,242	1,751,419	
Accrued ACS	1,023,582	1,095,479	422,138	
Accrued Expenses	911,980	1,023,244	477,477	
Accrued Premium Tax*	17,616,483	24,146,001	7,337,759	Refer to note below
Accrued Interest Payable	35,207	33,466	9,712	
Current Portion of Deferred Revenue	460,000	460,000	460,000	
Accrued Payroll Expense	571,987	547,421	605,937	
Total Current Liabilities	**96,806,193**	**96,860,378**	**$ 51,716,843**	
Long-Term Liabilities				
Deferred Revenue - Long Term Portion	575,000	613,333	920,000	
Notes Payable	7,200,000	7,200,000	7,200,000	
Total Long-Term Liabilities	**7,775,000**	**7,813,333**	**8,120,000**	
Total Liabilities	**104,581,193**	**104,673,711**	**59,836,843**	
Beginning Fund Balance	4,691,101	4,691,101	(6,031,881)	
Net Income Current Year	15,616,219	14,286,099	10,722,981	
Total Fund Balance	**20,307,320**	**18,977,200**	**4,691,100**	
Total Liabilities & Fund Balance	**$ 124,888,513**	**$ 123,650,911**	**$ 64,527,943**	

* Note: Feb'14 balances include anticipated MCO Tax, reversed in March

FINANCIAL INDICATORS			
Current Ratio	1.28 : 1	1.26 : 1	1.24 : 1
Days Cash on Hand	61	62	58
Days Cash + State Capitation Receivable	101	110	72
Days Cash + State Capitation Rec (less Tax Liab)	86	88	63


Cash + Medi-Cal Receivable Trend ($ in Millions)
(Net of MCO Tax Liability and excludes pass-through funds)
$105
$80
$55
$30
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
FY2013-14 Reported
$104.24
$96.35
$83.40
$71.24
$66.74
$64.37
$63.04
$60.56
$56.08
FY2013-14 Budget
$86.34
$82.21
$78.21
$72.08
$66.74
$64.37
$63.04
$60.56
$56.08
FY2012-13
$45.88
$43.62
$38.56
$38.13
$36.35
$42.41
$46.81
$44.51

Statement of Cash Flows - Monthly

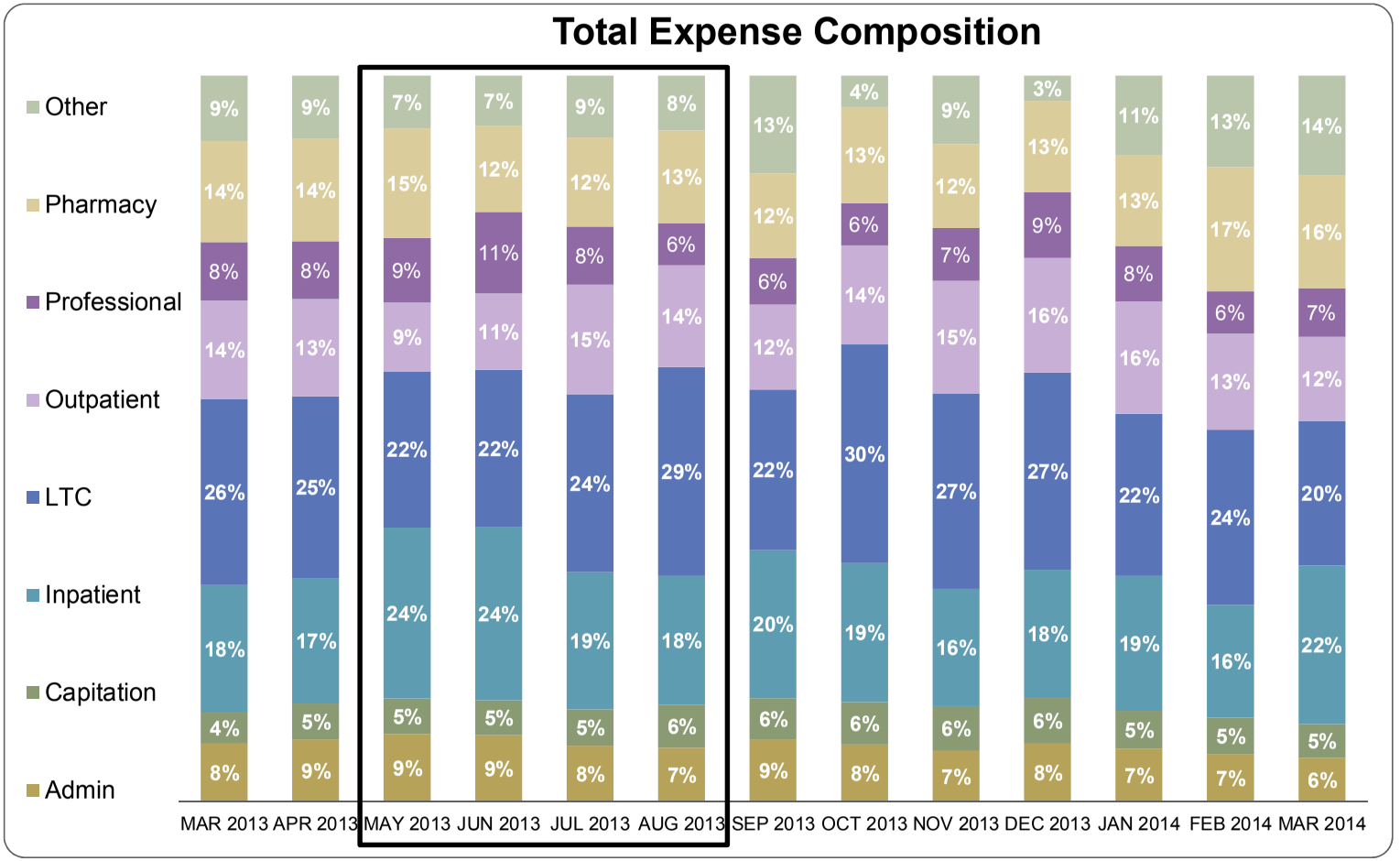
	MAR '14	FEB '14	JUN'13
Cash Flow From Operating Activities			
Collected Premium	$ 35,133,669	$ 47,761,779	$ 52,138,834
Miscellaneous Income	17,728	14,273	8,594
State Pass Through Funds	423,117	342,152	34,346,474
Paid Claims			
Medical & Hospital Expenses	(20,564,629)	(15,766,152)	(17,277,826)
Pharmacy	(4,562,358)	(4,420,992)	(4,009,168)
Capitation	(1,689,109)	(1,601,382)	(1,162,302)
Reinsurance of Claims	(308,761)	(308,946)	(240,430)
State Pass Through Funds Distributed	(735,259)		(34,346,474)
Paid Administration	(2,674,644)	(1,509,345)	(2,616,623)
MCO Tax Received / (Paid)	-	-	829,564
Net Cash Provided/ (Used) by Operating Activities	**5,039,755**	**24,511,385**	**27,670,643**
Cash Flow From Investing/Financing Activities			
Proceeds from Line of Credit			-
Repayments on Line of Credit	-	-	-
Net Acquisition of Property/Equipment	(166,076)	(64,987)	(31,026)
Net Cash Provided/(Used) by Investing/Financing	**(166,076)**	**(64,987)**	**(31,026)**
Net Cash Flow	**$ 4,873,678**	**$ 24,446,398**	**$ 27,639,617**
Cash and Cash Equivalents (Beg. of Period)	68,790,390	44,343,991	23,068,235
Cash and Cash Equivalents (End of Period)	73,664,068	68,790,390	50,817,760
	$ 4,873,678	**$ 24,446,398**	**$ 27,749,525**
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	1,330,120	2,775,825	4,109,976
Depreciation & Amortization	35,470	35,321	11,407
Decrease/(Increase) in Receivables	3,717,081	1,654,180	22,788,941
Decrease/(Increase) in Prepaids & Other Current Ass	49,602	(79,327)	769,972
(Decrease)/Increase in Payables	(1,869,629)	2,301,865	(1,578,838)
(Decrease)/Increase in Other Liabilities	(38,333)	(38,333)	(121,667)
Change in MCO Tax Liability	(6,529,517)	9,560,469	1,433,012
Changes in Claims and Capitation Payable	1,053,864	324,792	1,913,029
Changes in IBNR	7,291,098	7,976,594	(1,655,189)
	5,039,755	24,511,385	27,670,643
Net Cash Flow from Operating Activities	**$ 5,039,755**	**$ 24,511,385**	**$ 27,670,643**

Statement of Cash Flows - YTD

	MAR 2014 YTD
Cash Flow From Operating Activities	
Collected Premium	$ 253,816,400
Miscellaneous Income	108,204
State Pass Through Funds	61,939,223
Paid Claims	
Medical & Hospital Expenses	(156,209,183)
Pharmacy	(33,509,882)
Capitation	(13,726,589)
Reinsurance of Claims	(2,529,292)
State Pass Through Funds Distributed	(60,695,114)
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(24,216,459)
Repay Initial Net Liabilities	-
MCO Taxes Received / (Paid)	(826,566)
Net Cash Provided/(Used) by Operating Activities	**24,150,740**
Cash Flow From Investing/Financing Activities	
Proceeds from Line of Credit	-
Repayments on Line of Credit	-
Net Acquisition of Property/Equipment	(1,304,431)
Net Cash Provided/(Used) by Investing/Financing	**(1,304,431)**
Net Cash Flow	**$ 22,846,308**
Cash and Cash Equivalents (Beg. of Period)	50,817,760
Cash and Cash Equivalents (End of Period)	73,664,068
	$ 22,846,308
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income/(Loss)	15,616,219
Depreciation & Amortization	171,652
Decrease/(Increase) in Receivables	(35,792,361)
Decrease/(Increase) in Prepaids & Other Current Assets	(587,966)
(Decrease)/Increase in Payables	5,464,125
(Decrease)/Increase in Other Liabilities	(346,155)
Change in MCO Tax Liability	10,278,724
Changes in Claims and Capitation Payable	(1,853,320)
Changes in IBNR	31,199,821
	24,150,740
Net Cash Flow from Operating Activities	**$ 24,150,740**

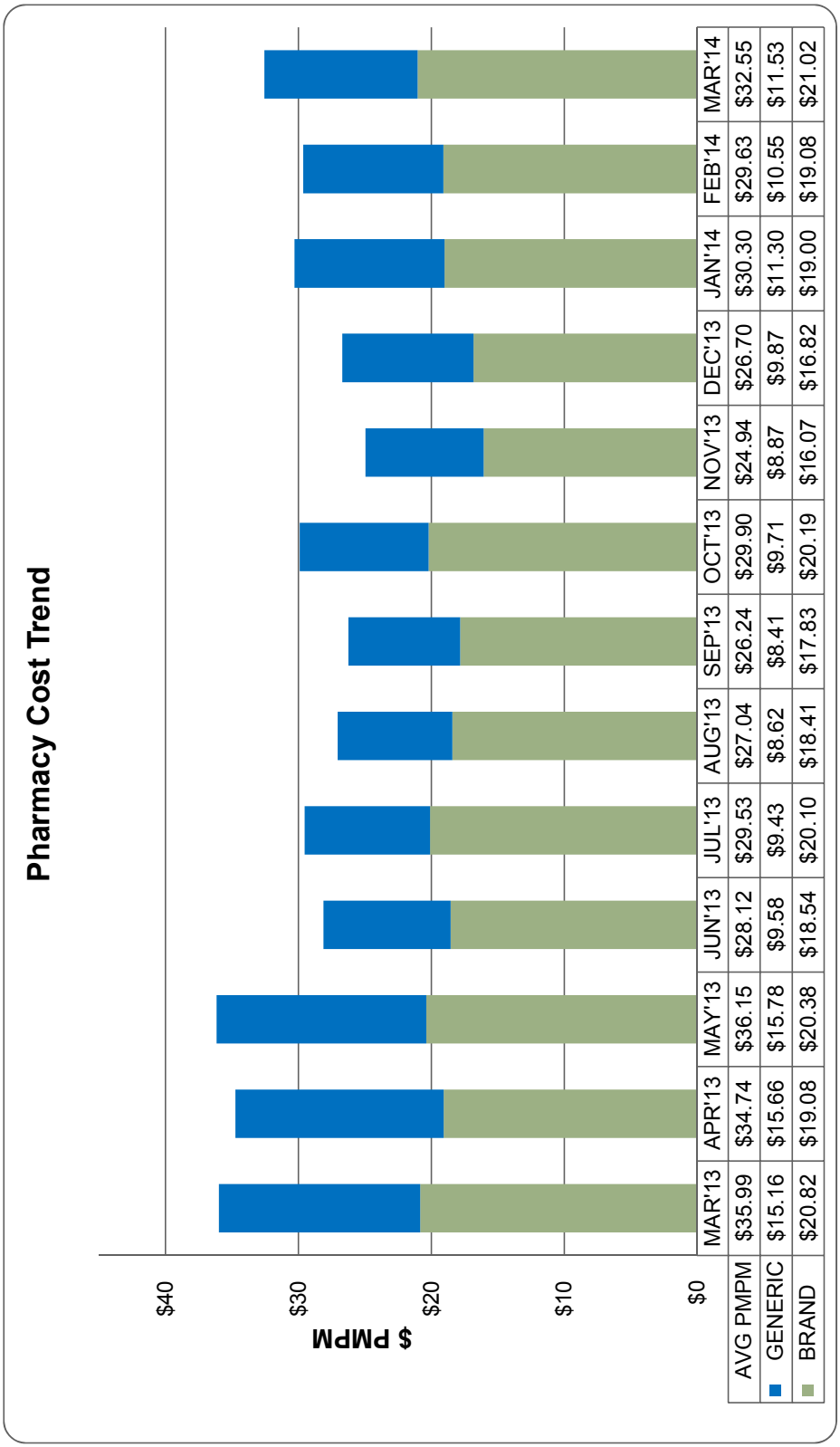
Income Statement
For The Nine Months Ended March 31, 2014

	Mar '14 Year-To-Date		Variance
	Actual	Budget	Fav/(Unfav)
Membership (includes retro members)	1,106,567	1,104,846	1,721
Revenue			
Premium	$ 290,786,708	$ 287,270,543	$ 3,516,165
Reserve for Rate Reduction	(2,096,754)	(1,592,261)	(504,492)
MCO Premium Tax	(11,054,825)	(11,130,977)	76,152
Total Net Premium	**277,635,129**	**274,547,305**	**3,087,824**
Other Revenue:			
Interest Income	108,203	96,952	11,252
Miscellaneous Income	343,953	345,000	(1,047)
Total Other Revenue	452,157	**441,952**	10,205
Total Revenue	**278,087,286**	**274,989,257**	**3,098,029**
Medical Expenses:			
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	14,128,022	14,131,203	3,181
FFS Claims Expenses:			
Inpatient	47,587,418	50,006,978	2,419,560
LTC/SNF	63,856,647	58,816,012	(5,040,636)
Outpatient	26,455,945	26,715,324	259,379
Laboratory and Radiology	2,207,398	2,253,182	45,785
Physician ACA 1202	5,373,618	-	(5,373,618)
Emergency Room	7,110,445	7,226,636	116,191
Physician Specialty	17,740,530	18,797,198	1,056,667
Mental Health Services	712,336	575,323	(137,013)
Pharmacy	34,558,609	37,352,163	2,793,554
Other Medical Professional	1,418,258	1,344,111	(74,147)
Other Medical Care	6,939	-	(6,939)
Other Fee For Service	18,673,048	18,905,026	231,979
Transportation	732,949	752,376	19,426
Total Claims	226,434,140	222,744,329	(3,689,811)
Medical & Care Management Expense	6,938,550	7,077,453	138,903
Reinsurance	(1,684,239)	(890,983)	793,256
Claims Recoveries	(2,159,000)	-	2,159,000
Sub-total	3,095,311	6,186,470	3,091,159
Total Cost of Health Care	**243,657,474**	**243,062,002**	**(595,472)**
Contribution Margin	**34,429,812**	**31,927,254**	**2,502,557**
General & Administrative Expenses:			
Salaries and Wages	4,861,002	4,966,341	105,339
Payroll Taxes and Benefits	1,167,013	1,167,463	450
Travel and Training	70,235	120,401	50,166
Outside Service - ACS	8,772,989	8,751,202	(21,787)
Outside Services - Other	486,526	410,095	(76,430)
Accounting & Actuarial Services	221,328	169,946	(51,381)
Legal	573,052	398,267	(174,785)
Insurance	106,998	102,689	(4,309)
Lease Expense - Office	246,341	267,843	21,502
Consulting Services	940,397	1,131,796	191,399
Translation Services	36,049	25,976	(10,073)
Advertising and Promotion	24,069	111,617	87,549
General Office	797,232	906,772	109,540
Depreciation & Amortization	59,053	118,157	59,104
Printing	91,238	160,486	69,247
Shipping & Postage	46,928	186,267	139,338
Interest	313,144	274,085	(39,059)
Total G & A Expenses	**18,813,593**	**19,269,402**	**455,810**
Net Income / (Loss)	**$ 15,616,219**	**$ 12,657,852**	**$ 2,958,367**

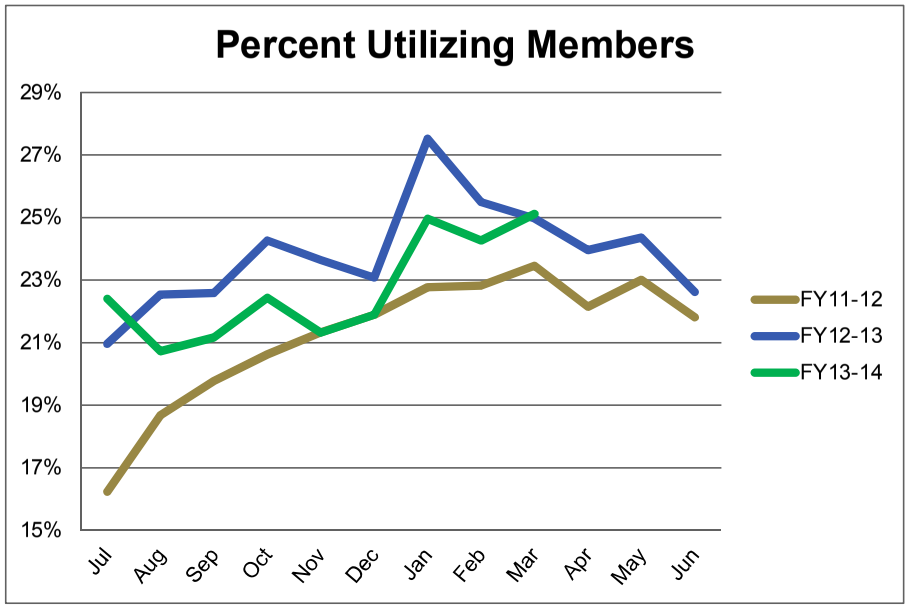


In May 2013, GCHP changed its method of distributing Health Care Costs (HCC) across categories of service. Prior months utilized an allocation methodology. The methodology was updated to utilize payment information by different categories of services. Further changes have been made with the assumption 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.



AVG PMPM	MAR'13	APR'13	MAY'13	JUN'13	JUL'13	AUG'13	SEP'13	OCT'13	NOV'13	DEC'13	JAN'14	FEB'14	MAR'14
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	$11.53
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	$21.02
	$35.99	$34.74	$36.15	$28.12	$29.53	$27.04	$26.24	$29.90	$24.94	$26.70	$30.30	$29.63	$32.55


Percent Utilizing Members
29%
27%
25%
23%
21%
19%
17%
15%
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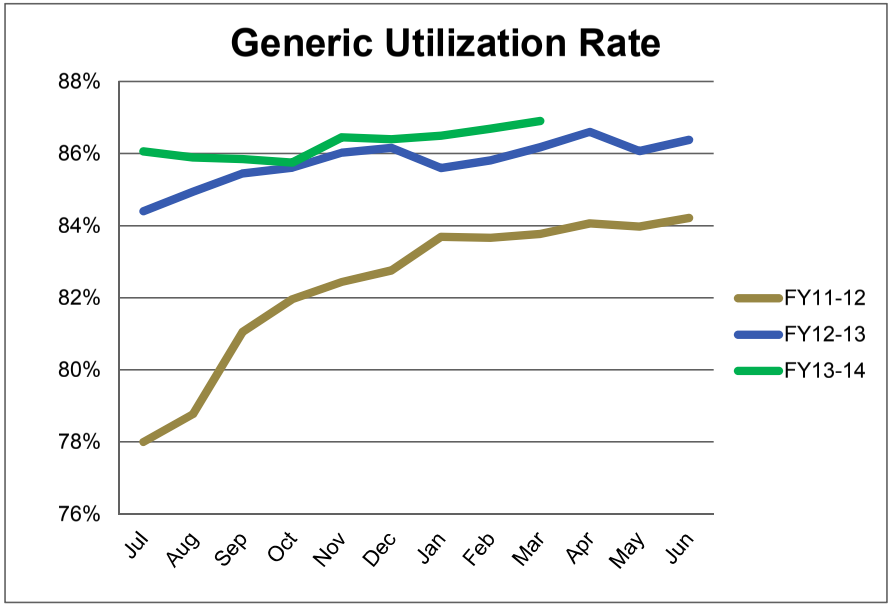
FY11-12
FY12-13
FY13-14


Generic Utilization Rate
88%
86%
84%
82%
80%
78%
76%
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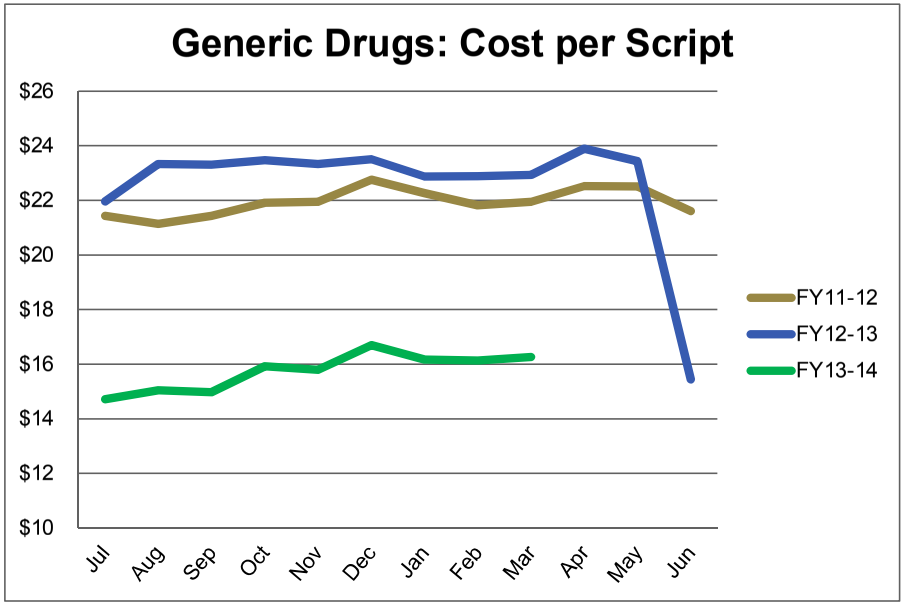
Generic Drugs: Cost per Script
$26
$24
$22
$20
$18
$16
$14
$12
$10
Jul
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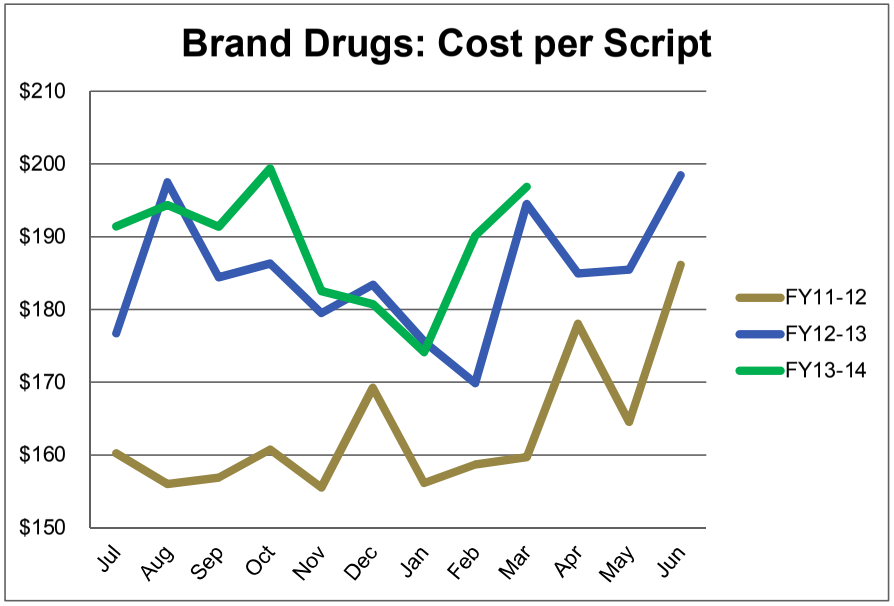
FY11-12
FY12-13
FY13-14


Brand Drugs: Cost per Script
$210
$200
$190
$180
$170
$160
$150
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FY11-12
FY12-13
FY13-14

AGENDA ITEM 3b

To: Gold Coast Health Plan Commission

From: Michael Engelhard, Chief Executive Officer

Date: May 19, 2014

RE: Begin Process to Secure Additional Medi-Cal Funds Through an Intergovernmental Transfer (IGT)

SUMMARY:
Authorize and direct the Chief Executive Officer to submit proposal to the California Department of Health Care Services (DHCS) to bring the process to secure additional Medi-Cal Funds through an Intergovernmental Transfer (IGT). The proposal would include a voluntary letter of interest and additional documentation from the funding entity (i.e., Ventura County Medical Center (VCMC) or other appropriate County agency).

BACKGROUND:
Intergovernmental Transfers (IGTs) are a mechanism for Medi-Cal managed care plans, counties and certain types of public hospitals to work with the State of California in order to bring federal Medicaid matching dollars to the local level.

To accomplish an IGT, a "funding entity" provides funds to the State Department of Health Care Services (DHCS). A funding entity can be counties, cities and State University teaching hospitals, or any other political subdivision of the State, as long as they meet the requirements as defined by 42 C.F.R. Section 433.50 for the funding of IGTs. The federal government then matches those funds according to a set formula. The State uses these combined funds to increase the rates it pays to the local Medi-Cal managed care plan consistent with the Plan's actuarially determined payment rates. The funding entity recoups the original outlay of funds and the federal match to those funds.

DISCUSSION:
The proposed IGT is expected to be structured similar to the FY 2011-12 IGT and involve an initial transfer of funds from the funding entity to DHCS. The DHCS would then use a portion of these funds to leverage a federal match at the Federal Medical Assistance Percentages (FMAP) rate in effect during Fiscal Year 2012-13. A portion of the funds (20%) would be paid to DHCS as an assessment fee. Subsequently, Gold Coast Health Plan (GCHP or Plan) would receive an increased capitation via a rate amendment to the Primary Agreement between GCHP and DHCS. The Plan would return the funds received via the increased capitation rate to the funding entity, after withholding amounts for MCO taxes (2.35%) and GCHP's administrative fee (expected to be 2%).

GCHP received a letter from DHCS on May 13, 2014 (dated May 7, 2014) that required the Plan and funding entities to provide the required materials within 24 days from the date of the letter, or no later than May 31, 2014. GCHP would need to provide the State with a proposal by May 31, 2014 that would include:

- the Plan's contact person, funding entity and participation levels (i.e., expected percentage of dollars to fund), and
- the funding entity's voluntary letter of interest and some additional documentation regarding the Medi-Cal members served and scope of services.

Terms and conditions and final funding amounts will be presented to the Commission at a later date for approval.

FISCAL IMPACT:
The impact to the Plan's FY 2014-15 revenue due to the FY 2012-13 IGT is estimated to be $520,000.

RECOMMENDATION:
Subject to review by legal counsel, authorize and direct the Chief Executive Officer to provide DHCS with a proposal (including information from the funding entity) to the State of California.

CONCURRENCE:
N/A.

Attachments:
None.

AGENDA ITEM 3c

To: Gold Coast Health Plan Commissioners

From: Stacy Diaz, Director, Human Resources
Michael Engelhard, Chief Executive Officer

Date: May 19, 2014

RE: Approve / Ratify New or Revised Human Resources Policies

SUMMARY:
Gold Coast Health Plan (Plan or GCHP) develops or modifies Human Resources (HR) policies from time-to-time during the course of doing business to reflect changing business needs and/or to incorporate best practices of said policies.

REQUESTED ACTION:
Ratify or Approve the Following Policies:

1. **R-4: Dress Code (Effective 05/01/2013) – Ratify**
2. **B-5: Vacation Buy-Back Policy (Effective 04/24/2013) – Ratify**
3. **Bereavement Leave (In Personnel Rules, Regulations and Policies Handbook adopted August 27, 2012 and Effective September 1, 2012) – Approve Revision**
4. **X-X: Spot Award Policy – Approve New Policy**

BACKGROUND / DISCUSSION:
Personnel policies are established to provide both the organization and its employees clear understanding the rules involving hiring, training, assessing, and rewarding members of the workforce. It also provides for clear understanding of employee rights as established in state and federal law or regulations.

Organizations have the need to make revisions to established HR policies on a regular basis, as the company grows and as the regulatory and business environments in which it operates evolve. Maintaining up-to-date Human Resources policies and procedures is an important process for employee recruitment and retention and to ensure all rules are compliant with applicable laws.

As such, GCHP has implemented or is proposing to implement the following policies in revision to the existing handbook:

1. **Dress Code Policy**: GCHP did not have a formal dress code policy. To ensure that expectations for appropriate work place attire are understood, GCHP staff adopted a dress code policy in May 2013.
2. **Vacation Buy-Back Policy**: GCHP had outlined in the personnel handbook a policy of providing for a vacation cash-out policy when maximum vacation accrual limits are

reached in employment contracts. This practice is common in the industry and limits the organization's accumulation of potentially significant financial obligations.

The personnel handbook was silent on allowing for employees to cash-out unused vacation. Therefore, GCHP adopted a vacation buy-back policy in April 2013. In adopting such a policy, GCHP recognizes that vacation is legally equivalent to "earned compensation" or more plainly, to "wages". Accrued vacation is legally protected for the employee. GCHP also recognizes that from time-to-time, employees may face certain circumstances whereby accessing accrued vacation compensation may alleviate a financial hardship or burden or other factor. Allowing employees to access accrued vacation, within the limits set forth in the attached policy, provides some flexibility for such employees. Since accrued vacation is a legal liability for the organization and is considered to be a form of "wages" to the employee, there is no net financial impact to the organization by paying out vacation accruals. This practice is also commonplace in both public agencies and commercial enterprises.

3. **Bereavement Policy**: GCHP staff requests to amend the policy to include "in-laws" as a qualifying family member for bereavement leave. No other change is recommended.

4. **Spot Award Policy**: The SPOT Award is a mechanism GCHP would like to implement to reward Gold Coast Health Plan (GCHP) employees for their exceptional and noteworthy contributions above and beyond the scope of an employee's normal duties including, but not limited to, positive customer feedback, project completion, etc. The award will be presented to an a GCHP employee that has provided a unique service for members, created or suggested an innovation related to quality, cost or access to care or has performed an exemplary service that served as a role model or inspired other employees. Employee SPOT awards help increase employee engagement and motivation. SPOT awards allow GCHP to recognize employee accomplishments when they happen "on the SPOT" while making the accomplishment and award more relevant and immediate for the employee. SPOT awards reinforce excellent performance while letting employees know that efforts are noticed and appreciated. The SPOT Award can range from $50-$1,000.

FISCAL IMPACT:

1. **Dress Code Policy Change**: none

2. **Vacation Buy-Out Policy**: Since accrued vacation is legally equivalent to earned compensation and would have to be paid out when (a) an employee leaves GCHP or (b) accrues up to a maximum level, there is no material net fiscal impact to GCHP.

3. **Bereavement Policy Change**: no material net fiscal impact.

4. **Spot Award Policy**: Recommend setting an annual spot award budget of $20,000.00 to begin with FY2013-14 and this will be absorbed into the existing FY2013-14 administrative expense budget

RESOLUTION 2014-___

A RESOLUTION OF THE VENTURA COUNTY MEDI-CAL MANAGED CARE COMMISSION AMENDING THE RESOLUTION NO. 2012–001 AND THE PERS*ONNEL RULES, REGULATIONS, AND POLICIES* TO REFLECT RATIFICATION AND ADOPTION OF POLICY R-4: DRESS CODE (EFFECTIVE 05/01/2013) AND B-5: VACATION BUY-BACK POLICY (EFFECTIVE 04/23/2013); APPROVAL OF REVISIONS TO THE BEREAVEMENT LEAVE; ADOPTION OF THE SPOT AWARD POLICY AND ESTABLISHING A BUDGET FOR SPOT AWARD

WHEREAS, the Ventura County Medi-Cal Managed Care Commission doing business as Gold Coast Health Plan hereinafter referred to as GCHP, Plan or Employer is authorized to adopt rules and regulations for the administration of the personnel system; and

WHEREAS, the objectives of these Personnel Rules, Regulations and Policies are to facilitate efficient and economical services to the public and to provide for an equitable system of personnel management; and

WHEREAS, these Personnel Rules, Regulations and Policies set forth those procedures that ensure similar treatment for persons who apply for, are selected for, or who are employed by GCHP, and define many of the obligations, rights, privileges, and prohibitions that are placed upon all employees in the service of the Plan; and

WHEREAS, at the same time, within the limits of administrative feasibility, considerable latitude shall be given to Chief Executive Officer and designee in the interpretation of these rules;

WHEREAS the Commission adopted the Personnel Rules, Regulations, and Policies by approving Resolution No. 2012-001. These Personnel Rules, Regulations and Policies became effective September 1, 2012.

WHEREAS GCHP has implemented or is proposing to implement the following policies in revision to the existing handbook:

NOW, THEREFORE, BE IT RESOLVED that the Commission desires to update the Personnel Rules, Regulations and Policies.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the Plan desires to update the Personnel Rules, Regulations, and Policies thereby amends Resolution No. R 2012-001 to include:

Section 1: Dress Code Policy: GCHP did not have a formal dress code policy. To ensure that expectations for appropriate work place attire are

understood, GCHP adopted an administrative dress code policy in May 2013. Policy R-4 Dress Code Policy is hereby adopted as part of the Personnel Rules, Regulations, and Policies retroactive to May 1, 2013.

Section 2: Vacation Buy-Back Policy: GCHP had outlined in the personnel handbook a policy of providing for a vacation cash-out policy when maximum vacation accrual limits are reached in employment contracts. This practice is usual and limits the organization's accumulation of potentially significant financial obligations.

The personnel handbook was silent on allowing for employees to cash-out unused vacation. Therefore, GCHP adopted a vacation buy-back policy in April 2013. In adopting such a policy, GCHP recognizes that vacation is legally equivalent to "earned compensation" or more plainly, to "wages". Accrued vacation is legally protected for the employee. GCHP also recognizes that from time-to-time, employees may face certain circumstances whereby accessing accrued vacation compensation may alleviate a financial hardship or burden or other factor. Allowing employees to access accrued vacation, within the limits set forth in the attached policy, provides some flexibility for such employees. Since accrued vacation is a legal liability for the organization and is considered to be a form of "wages" to the employee, there is no net financial impact to the organization by paying out vacation accruals. This practice is also commonplace in both public agencies and commercial enterprises.

Policy B-5 Vacation Buy Back Policy is hereby adopted as part of the Personnel Rules, Regulations, and Policies retroactive to April 23, 2013.

Section 3: Bereavement Policy: GCHP staff requests to amend the policy to include "in-laws" as a qualifying family member for bereavement leave. The revised Bereavement Policy is hereby adopted.

Section 4: Spot Award Policy: A Sport Award Policy is adopted and established effective May 19, 2014.

PASSED, APPROVED AND ADOPTED by the Ventura County Medi-Cal Managed Care Commission dba Gold Coast Health Plan at a regular meeting on the 19th day of May, 2014 by the following vote:

AYE:
NAY:
ABSTAIN:
ABSENT:

_____
Chair

Attest:

_____
Traci R. McGinley, Clerk of the Board

Gold Coast Health Plan℠ A Public Entity	POLICIES AND PROCEDURES
Policy #: R-4	**Lead Department: Human Resources**
Title: Dress Code	
Original Date: 05/01/2013	**Last Revision Date: New Policy**
Approved by: CEO	
Effective Date: 05/23/13	

PURPOSE:
To provide all staff members with appropriate guidelines for employee personal appearance including standards of dress, grooming, hygiene and personal cleanliness while at work, or on duty.

POLICY:
Every employee represents Gold Coast Health Plan in the eyes of our Board, our members and the community-at-large. It is the policy of GCHP that employees are required to present a clean, neat, professional business appearance at all times when employees are in the workplace or representing GCHP outside of the workplace.

Our dress code is based on several factors. GCHP is a professional organization that is responsible for health care access for thousands of people. Our dress code reflects our culture of professionalism, and our respect for our mission and our fiscal responsibilities. Our actions speak loudest, but our appearance communicates as well to community leaders, providers, members and other visitors to our work place.

Our standard continues to be "Business Casual". Many examples of acceptable clothing and footwear are provided in this policy, since they are often requested by staff and help to clarify our standard.

Definitions:
All employees are required to adhere to these standards as part of the requirements of their employment with GCHP. Employees will be aware of, and conscientious about, the neatness and cleanliness of their apparel, and their personal hygiene while on the job.

1. Acceptable Appearance / Attire
   Our overall standard is business professional, yet casual. Examples of acceptable attire include:

   For women: Suits, blazers, dress coats, blouses, business casual shirts (such as short or long sleeved polo shirts appropriate for a business environment), dresses, skirts, pantsuits, dress slacks, business casual pants, sweaters, and capri pants. The length of capris that is acceptable is mid-calf or just below the calf. Any shorter length is considered shorts and therefore may not be worn at any time, including casual Fridays. A denim skirt or blazer is acceptable if non-faded and the style is suitably professional for our business environment.

   For men: Suits, sports coats, dress shirts, ties, sweaters, business casual shirts (such as short or long sleeved polo shirts appropriate for a business environment), dress slacks and business casual pants (such as Dockers).

The duties of some positions may occasionally require more professional dress than others depending upon the requirements of the job. Employees who attend both internal and external meetings, visit other professional offices, hospitals, clinics, etc., and interact with business and community representatives, must dress to present an appropriate professional business image of GCHP.

The duties of some positions may allow for the wearing of more comfortable, casual apparel due to the nature of the job requirements. When the job requires physical activity (lifting, carrying, stretching, bending, etc.) employees may wear more casual apparel such as work pants and tennis shoes to permit greater freedom of movement and safety. GCHP reserves the right to determine which job assignments meet these criteria. Ask for clarification from the manager or Human Resources department.

2. Unacceptable Appearance / Attire

Examples of unacceptable and inappropriate attire that is not in compliance with our standards include provocative attire (low cut clothing, mini skirts, etc.), oversized clothing, extremely tight clothing including spandex, leggings or other form-fitting attire, tank tops, midriff tops, crop tops, halter-neck tops and dresses, spaghetti-strap tops and dresses, sun or beach dresses, nylon jogging suits, sweats / exercise pants, sportswear and shorts of any length and/or skorts, pajamas and jeans (except casual days).

Clothing with potentially offensive words, terms, logos, pictures, cartoons, or slogans is inappropriate for our business environment and is not to be worn at any time. Clothing that exposes undergarments is also inappropriate for our business environment and is not to be worn at any time.

3. Acceptable Shoes and Footwear

Conservative, non-athletic leather walking shoes, loafers, dress boots, flats, heels, business or dress shoes, business professional sandals, and leather deck-type shoes are acceptable for our business environment. Shoes are to be worn at all times while in the office. Tennis shoes may be worn on “Casual Days” only.

4. Unacceptable Shoes and Footwear

Flip flops (thongs), slippers and non-dress boots (e.g. Uggs)

5. “Casual Day”

GCHP observes Friday as Casual Day. Employees are permitted to wear more casual and informal clothing on Fridays. Employees are still required to present a clean and neat appearance at all times as every employee continues to represent GCHP in the eyes of members and the community at large. Examples of allowable choices on dress down day include denim jeans, tee shirts and tennis shoes. As a rule of thumb, casual clothing that is acceptable attire is not appropriate for our regular Monday through Thursday standard.

Provocative attire (low cut clothing, mini skirts, etc.), oversized clothing, extremely tight clothing including spandex or other form-fitting attire, tank tops, midriff tops, crop tops, halter-neck tops and dresses, spaghetti-strap tops and dresses, sun or beach dresses, nylon jogging suits, sweats / exercise pants, sportswear and shorts of any length and/or skorts may not be worn.

Directors and managers are required to use their own discretion on Casual Day depending on their schedule for business that day. Employees who have important meetings with non-employees either on or off site on Casual Day need to consider observing the more professional standards of the regular Dress Code Policy guidelines. If there are questions, ask for clarification from the manager.

These examples are not meant to be all-inclusive, and may need to be amended from time to time as styles change.

6. Grooming and Cleanliness

All employees are expected to present themselves well groomed, with attention paid to good personal hygiene. In consideration of others, care should be taken to avoid strong, offensive odors, such as tobacco, perfumes or cologne as some employees are sensitive to the chemicals in personal care products, such as perfumes, colognes, hairspray or other hair care products and scented lotions.

7. Compliance

Compliance with this policy is the responsibility of every individual. Employee cooperation will make enforcement unnecessary. However, employees who fail to follow the Dress Code guidelines will be sent home and requested to return to work in compliance with the guidelines. Employees will not be compensated for time away from work.

GCHP reserves the right to determine the appropriateness of compliance with the Dress Code Policy. Continued failure to comply with this policy may result in disciplinary action, up to and including separation of employment. This policy may be revised, updated, or rescinded at any time by GCHP.

Gold Coast Health Plan℠ A Public Entity	**POLICIES AND PROCEDURES**
Policy #: R-4	**Lead Department: Human Resources**
Title: Dress Code	
Original Date: 05/01/2013	**Last Revision Date: New Policy**
Approved by: CEO	
Effective Date: 05/23/13	

ACKNOWLEDGMENT OF DRESS CODE POLICY

Employee Name: (Print) _____

I have read and understand the Dress Code Policy. I understand that if I fail to follow the Dress Code guidelines will be sent home and requested to return to work in compliance with the guidelines. I understand that I will not be compensated for time away from work.

I understand that GCHP reserves the right to determine the appropriateness of compliance with the Dress Code Policy. Continued failure to comply with this policy may result in disciplinary action, up to and including separation of employment. This policy may be revised, updated, or rescinded at any time by GCHP.

_____ _____

Employee Signature Date

Gold Coast Health Plan℠ A Public Entity	**POLICIES AND PROCEDURES**
Policy #: B-5	**Lead Department: Human Resources**
Title: Vacation Buy Back	
Original Date: 04/24/13	**Last Revision Date: New Policy**
Approved by: CEO	
Effective Date: 04/24/13	

I. PURPOSE:

To clarify Gold Coast Health Plan (GCHP) practices and policies regarding vacation time buy back. The vacation buy back is offered as an optional benefit, subject to budgetary constraints for employees who elect to convert accrued vacation into a cash value on an annual basis.

II. POLICY:

It is the policy of GCHP to provide employees with vacation time as a vehicle for rest and renewal. GCHP strongly encourages all eligible employees to utilize their vacation time; however the buyback policy will be available to all employees who have accrued vacation in which they would like to cash out.

III. DEFINITIONS:

- Eligible Employees: GCHP provides regular full- and part-time employees with vacation time.

IV. PROCEDURES:

- Employees may buy-back a maximum of 50% of their accrued vacation time.
- The request must be submitted in writing to Human Resources for approval. The employee must maintain a minimum of forty (40) hours of vacation remaining after the "buy back" of some of their vacation

Gold Coast Health Plan℠
A Public Entity

DEPARTMENT OF HUMAN RESOURCES

Request for Vacation Buy Back

EMPLOYEE NAME:

REQUEST DATE: _____ DEPARTMENT: N/A

HOURS REQUESTED: _____ PAYROLL EFFECTIVE DATE: _____

I understand that this request is subject to HR approval and the companies Vacation Buy Back policy.

Employee Signature: _____ **Date:** _____

HUMAN RESOURCES:

TOTAL HOURS AVAILABLE: _____ HOURS APPROVED: _____

HOURS REMAINING: _____

Payroll Approval: _____ **Date:** _____

Policies and Procedures	
Title: Bereavement Leave DRAFT	Policy Number: XXXXXXXXXXX

Purpose:
GCHP provides Bereavement Leave/Pay to eligible employees due to a death in their immediate family.

Policy: Bereavement leave is provided for Regular Full Time employees unless otherwise stipulated in an individual employment agreement Employees may take bereavement leave paid for of up to three (3) days in the event of death of any of an immediate family member. Immediate family members are defined as: as spouse, domestic partner as defined by the State of California, father, mother, grandfather, grandmother, sister, brother, son, and daughter whether related by blood, adoption or marriage.

Definitions/Criteria: Immediate family member for purposes of this policy is limited to the following relationships by blood, marriage, adoption or domestic partnership (Defined by the State of CA)

- Current Spouse
- Current Domestic Partner
- Parent of employee, current spouse or current domestic partner
- Sibling of employee, current spouse or current domestic partner
- Current Father-in-Law
- Current Mother-in-Law
- Step-Parent or Legal Guardian
- Child of employee, current spouse or current domestic partner
- Grandparent of employee, current spouse or current domestic partner
- Grandchild of employee, current spouse or current domestic partner

Procedure:

- Bereavement leave must be requested at the time of the family member's death or to attend the funeral. The employee must obtain approval from his/her supervisor if additional time off is requested. Additional time off will be paid through available Vacation accruals.

- Employees must record their bereavement hours thorough the online timecard system

- Employees must submit a time off request form to supervisor/Human Resources requesting the time

- Proof of eligibility for bereavement leave may be required

GCHP reserves the right to modify, rescind, delete or add to this policy at any time without notice.

Attachments:

References:
N/A

Revision History:

Review Date	Revised Date	Approved By

Policies and Procedures	
Title: SPOT Award Policy DRAFT	Policy Number: XXXXXXXXXXX

Purpose:
The SPOT Award is a mechanism to reward Gold Coast Health Plan (GHCP) employees for their exceptional and noteworthy contributions. SPOT Awards can also be used to acknowledge performance that is above and beyond the scope of an employee's normal duties including, but not limited to, positive customer feedback, project completion, etc.

The award will be presented to an a GCHP employee that has provided a unique service for members, created or suggested an innovation related to quality, cost or access to care or has performed an exemplary service that served as a role model or inspired other employees.

Employee SPOT awards help increase employee engagement and motivation. SPOT awards allow GCHP to recognize employee accomplishments when they happen "on the SPOT" while making the accomplishment and award more relevant and "immediate" for the employee. SPOT awards reinforce excellent performance while letting employees know that efforts are noticed and appreciated.

Policy: Reward for special performance. All full-time and part-time employees are eligible, excluding Directors and C-Level Staff. Awards range from $50-$1,000.

Definitions/Criteria: The action or accomplishment that is being recognized should be significantly beyond the scope of the employee's regular day-to-day activities and assignments. For example, the award could be for an employee who uses initiative and creativity to resolve a situation or conflict. It could also be for a one-time exceptional achievement that might not be otherwise noticed such as volunteering for extra assignments during critical times while maintaining the regular work assignment.
Criteria Guidelines:

- Performing exemplary service that serves as a role model or inspires employees
- Putting in extra hours or effort to address an issue that prevents negative business impact
- Identifying and implementing a change that results in improved quality or service to our members or providers, increases process efficiencies, and/or delivers cost savings

SPOT Awards Examples:

To assist in developing an appropriate justification for an award, the following provides examples of awards that *describe* the accomplishment, the *way* the accomplishment was achieved and the *improvement or result* that was accomplished:

- Sue volunteered to develop a solution to late tickets. The late tickets were creating extra workload for the organization. Sue eliminated the problem, which improved our service to the customer and allowed staff to focus on more

critical work assignments. This task was outside of Sue's normal job duties that resulted in a cost savings to the organization.

- Tomas created a spreadsheet of XYZ and was able to track our usage of X. He recommended ways to be more efficient. This task was outside the scope of Tom's regular duties, and resulted in a cost savings to the organization.

Eligibility

All full and part time employees, with the exception of Directors and C-Level Staff, are eligible to receive SPOT awards. Independent contractors and temporary employees, whether contracted directly by the organization or through an agency, are not eligible to receive an award.

Employees are only eligible for up to a maximum of $1,500 per year.

Employees must have successfully completed ninety (90) days of employment and received a "meets expectations" or better overall rating on their most recent annual performance evaluation. Employees who have not yet received an annual performance evaluation may be eligible for an award if their manager confirms on the nomination form that they are "meeting expectations."

Procedure: Awards may be presented at any time during the fiscal year and should be awarded as soon as possible after the accomplishment or event in order to provide immediate recognition to employees.

Supervisors, Managers, Directors and Chiefs, as well as peers, may nominate staff for SPOT Awards. Nominations should be submitted via the GCHP SPOT Awards Nomination form.

Nominations will be accepted throughout the fiscal year. Nominations should generally be submitted within thirty (30) days of the accomplishment (Exceptions may apply)

- The signatures of the supervisor and next level manager on the GCHP SPOT Nomination Form represent an endorsement of the nomination.
- Completed nomination forms should be submitted to Human Resources to review for eligibility. If the submission is approved, the nomination form is submitted to the Executive Team for review and approval.
- The final approval is made by the Executive Team for SPOT awards.
- Following the decision, the Human Resources Department notifies the nominator that the award nomination:
  - is approved
  - is denied
- If the award is approved, Human Resources will initiate a manual check request through the payroll system for the approved monetary award. The check will be grossed-up by awardee's tax rate to net the award amount. Upon receipt of the check, Human Resources will provide the award letter, certificate

and check to the recipient's supervisor/manager for presentation to the employee.

- The award will be presented by the Manager/CEO and Original Nominator.

All awards are considered taxable income and will be reflected on the employee's income earning statements.

Attachments:
SPOT Award Nomination Form

References:
N/A

Revision History:

Review Date	Revised Date	Approved By

Gold Coast Health Plan℠
A Public Entity

www.goldcoasthealthplan.org

AGENDA ITEM 3d

To: Gold Coast Health Plan Commission

From: Stacy Diaz, Director of Human Resources

Date: May 19, 2014

RE: GCHP Revised Salary Ranges

SUMMARY:
Gold Coast Health Plans Human Resources Compensation Committee provided the established minimum and maximum salary ranges for GCHP positions in August 2012 to the Commission. The ranges were based off of data from other County Operated Health System (COHS) and Association for Community Affiliated Plans (ACAP), a national trade association for not-for-profit health plans.

With the assistance of GCHP Legal Counsel, an annual review of the salaries has been completed by Human Resources and compared with other COHS and ACAP. It has been determined that the current salary ranges need to be adjusted / increased.

BACKGROUND / DISCUSSION:

- Key Positions have been moved to a higher salary range due to the competition and salary surveys completed with other COHS, ACAP and Local Health Plans of California (LHPC).

- Several salary ranges maximum has been increased from 6-10% depending on the position based on the surveys.

- Additional budgeted positions have been inserted into the existing salary ranges.

RECOMMENDATION:
GCHP is recommending that the Commission adopt the revisions made to the GCHP salary ranges.

CONCURRENCE
N/A

Attachments:
Revised GCHP Salary Ranges.

Gold Coast Health Plan Pay Ranges adopted 08/27/2012

Pay Range	Position	Annual Minimum		Mid-point	Maximum
1	Provider Services Clerk	37,115	40,271	43,427	49,738
2	Pharmacy Assistant	38,971	42,285	45,598	52,225
3	Administrative Assistant	40,920	44,399	47,879	54,837
3	IT - PC Maintenance Technician I	40,920	44,399	47,879	54,837
3	Member Services Representative I	40,920	44,399	47,879	54,837
3	Outreach Coordinator	40,920	44,399	47,879	54,837
4	Accounts Payable Specialist	42,966	46,619	50,273	57,579
4	Claims Analyst I	42,966	46,619	50,273	57,579
4	Clinical Operations Assistant I	42,966	46,619	50,273	57,579
4	Grievance and Appeals Representative I	42,966	46,619	50,273	57,579
4	Payroll Specialist	42,966	46,619	50,273	57,579
4	Provider Claims Research Representative I	42,966	46,619	50,273	57,579
4	Provider Dispute Resolution Representative I	42,966	46,619	50,273	57,579
5	Contracts Coordinator	45,115	48,951	52,787	60,458
5	HEDIS/QI Coordinator	45,115	48,951	52,787	60,458
6	Claims Analyst II	47,370	51,398	55,425	63,480
6	Grievance and Appeals Representative II	47,370	51,398	55,425	63,480
6	Member Services Representative II	47,370	51,398	55,425	63,480
6	Provider Claims Research Representative II	47,370	51,398	55,425	63,480
6	Administrative Facilities Coordinator	47,370	51,398	55,425	63,480
6	Provider Services Representative I	47,370	51,398	55,425	63,480
7	Claims Analyst - Senior	49,739	53,968	58,197	66,655
7	Clinical Operations Assistant - SENIOR	49,739	53,968	58,197	66,655
7	Member Services Analyst	49,739	53,968	58,197	66,655
7	Provider Dispute Resolution Representative II	49,739	53,968	58,197	66,655
8	IT - PC Maintenance Technician II	52,225	56,666	61,106	69,987
9	Accountant	54,837	59,500	64,162	73,487

Gold Coast Health Plan Pay Ranges adopted 08/27/2012

Pay Range	Position	Minimum	Annual	Mid-point	Maximum
9	Claims Auditor	54,837	59,500	64,162	73,487
9	Contract Specialist	54,837	59,500	64,162	73,487
9	Credentialing Specialist	54,837	59,500	64,162	73,487
9	Human Resources Technician	54,837	59,500	64,162	73,487
9	Provider Services Representative II	54,837	59,500	64,162	73,487
9	Quality Improvement Specialist	54,837	59,500	64,162	73,487
10	Clinical Operations Assistant - SENIOR	57,580	62,475	67,371	77,161
11	Claims Recovery Specialist	60,458	65,599	70,739	81,020
11	Clerk of the Board	60,458	65,599	70,739	81,020
11	Compliance Specialist	60,458	65,599	70,739	81,020
11	Provider Relations Senior Liaison	60,458	65,599	70,739	81,020
12		63,480	68,878	74,275	85,070
13	Provider Relations Analyst	66,655	49,991	33,328	
13	Financial Analyst II	66,655	72,322	77,990	89,324
13	Quality Improvement HEDIS Analyst	66,655	72,322	77,990	89,324
13	Human Resources Analyst/Generalist	66,655	72,322	77,990	89,324
13	IT - Business Analyst	66,655	72,322	77,990	89,324
14		69,987	75,938	81,889	93,790
15	Accountant Senior	73,487	79,735	85,984	98,480
15	Analyst - Decision Support Senior	73,487	79,735	85,984	98,480
15	Policy Analyst- Senior	73,487	79,735	85,984	98,480
15	Analyst - Quality Improvement Projects Senior	73,487	79,735	85,984	98,480
16	IT - Systems Analyst	77,161	83,722	90,283	103,404
17	IT - Business Analyst Senior	81,019	87,908	94,797	108,574
18	Manager - Claims	85,070	92,303	99,536	114,002
18	Manager - Health Education	85,070	92,303	99,536	114,002
18	Manager - HR	85,070	92,303	99,536	114,002

Gold Coast Health Plan Pay Ranges adopted 08/27/2012

Pay Range	Position	Minimum	Annual -	Mid-point	Maximum
18	Manager - Member Services	85,070	92,303	99,536	114,002
18	RN	85,070	92,303	99,536	114,002
18	RN - Case Manager and UR	85,070	92,303	99,536	114,002
18	RN - Facility Site Review/Master Trainer	85,070	92,303	99,536	114,002
19	Manager - Compliance	89,324	96,919	104,514	119,703
19	Manager - Projects	89,324	96,919	104,514	119,703
19	Manager - Provider Network	89,324	96,919	104,514	119,703
19	Manager - Vendor Contracts	89,324	96,919	104,514	119,703
20	IT - Project Manager	93,790	101,765	109,739	125,688
20	Manager - Communications	93,790	101,765	109,739	125,688
20	Manager - Decision Support Project	93,790	101,765	109,739	125,688
20	Manager - Quality Improvement Projects	93,790	101,765	109,739	125,688
21	Financial Analyst - Senior	98,480	106,853	115,226	131,972
22	Accounting Manager	103,404	112,196	120,987	138,570
22	IT - Project Manager Senior	103,404	112,196	120,987	138,570
23	Manager - Care Coordination	108,573	117,805	127,037	145,500
23	Manager- IT	108,573	117,805	127,037	145,500
23	Manager - Case Management	108,573	117,805	127,037	145,500
24	Director - Pharmacy	114,002	123,695	133,388	152,774
24	IT - Security Specialist	114,002	123,695	133,388	152,774
25	Director- Network Development	119,703	129,881	140,058	152,774
25	Director - Compliance	119,703	129,881	140,058	152,774
25	Director - Human Resources	119,703	129,881	140,058	160,413
26	Controller	125,688	136,375	147,061	168,434
26	Director- Financial Analysis	125,688	136,375	147,061	168,434
26	Director - IT	125,688	136,375	147,061	168,434

Gold Coast Health Plan Pay Ranges adopted 08/27/2012

Pay Range	Position	Minimum	Annual	Mid-point	Maximum
27		131972	143,193	154,414	176,855
28	Director - Government Relations	138,570	150,353	162,135	185,700
28	Director- Operations	138,570	150,353	162,135	185,700
28	Director - Quality Improvement	138,570	150,353	162,135	185,700
29		145,500	157,871	170,242	194,983
30	Director - Health Services	152,774	165,764	178,753	204,732
31	Associate Chief Medical Officer	160,413	174,052	187,692	214,970
32	CFO	168,433	182,754	197,075	225,717
32	CIO	168,433	182,754	197,075	225,717
32	COO	168,433	182,754	197,075	225,717
33		176,855	191,892	206,929	237,003
34		185,700	201,488	217,277	248,853
35		194,983	211,561	228,139	261,295
36	CMO	204,732	222,139	239,546	274,360
37		214,970	233,247	251,525	288,079
38		225,717	244,909	264,100	302,483
39	CEO	206,000	231,750	257,500	309,000
40		237,003	257,154	277,305	317,607
41		248,853	270,012	291,170	333,487

Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

Pay Range	Position	Minimum	Annual	Mid-point	Maximum
1	Provider Services Clerk	37,115	40,271	43,427	49,738
2	Pharmacy Assistant	38,971	42,285	45,598	52,225
3	Administrative Assistant	40,920	45,690	50,460	60,000
3	IT - PC Maintenance Technician I	40,920	45,690	50,460	60,000
3	Member Services Representative I	40,920	45,690	50,460	60,000
3	Outreach Coordinator	40,920	45,690	50,460	60,000
4	Accounts Payable Specialist	42,966	48,059	53,151	63,336
4	Claims Analyst I	42,966	48,059	53,151	63,336
4	Clinical Operations Assistant I	42,966	48,059	53,151	63,336
4	Grievance and Appeals Representative I	42,966	48,059	53,151	63,336
4	Payroll Specialist	42,966	48,059	53,151	63,336
4	Provider Claims Research Representative I	42,966	48,059	53,151	63,336
4	Provider Dispute Resolution Representative I	42,966	48,059	53,151	63,336
5	Credentialing Coordinator	45,115	50,462	55,809	66,503
5	Contracts Coordinator	45,115	50,462	55,809	66,503
5	HEDIS/QI Coordinator	45,115	50,462	55,809	66,503
6	Compliance Coordinator	47,370	52,985	58,599	69,828
6	Claims Analyst II	47,370	52,985	58,599	69,828
6	Grievance and Appeals Representative II	47,370	52,985	58,599	69,828
6	Grievance and Appeals Coordinator	47,370	52,985	58,599	69,828
6	Member Services Representative II	47,370	52,985	58,599	69,828
6	Provider Claims Research Representative II	47,370	52,985	58,599	69,828
6	Administrative Facilities Coordinator	47,370	51,398	55,425	69,828
6	Provider Services Representative I	47,370	52,985	58,599	69,828
7	Claims Analyst - Senior	49,739	55,634	61,530	73,320
7	Clinical Operations Assistant - SENIOR	49,739	55,634	61,530	73,320
7	Provider Dispute Resolution Representative II	49,739	55,634	61,530	73,320

Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

Pay Range	Position	Minimum	Annual	Mid-point	Maximum
8	Facilities- Maintenance Technician	52,225	58,415	64,605	76,985
8	IT - PC Maintenance Technician II	52,225	58,415	64,605	76,985
9	Health Educator	54,837	61,337	67,836	80,835
9	Accountant	54,837	61,337	67,836	80,835
9	Claims Auditor	54,837	61,337	67,836	80,835
9	PQI Coordinator	54,837	61,337	67,836	80,835
9	QI Specialist	54,837	61,337	67,836	80,835
9	Contract Specialist	54,837	59,500	64,162	80,835
9	Credentialing Specialist	54,837	61,337	67,836	80,835
9	Human Resources Specialist	54,837	61,337	67,836	80,835
9	Provider Services Representative II	54,837	61,337	67,836	80,835
9	Quality Improvement Specialist	54,837	61,337	67,836	80,835
10		57,580	64,404	71,229	84,877
11	Claims Recovery Specialist	60,458	67,619	74,779	89,100
11	Public Relations Account Representative	60,458	67,619	74,779	89,100
11	Executive Assistant	60,458	67,619	74,779	89,100
11	Clerk of the Board	60,458	67,619	74,779	89,100
11	Compliance Specialist	60,458	67,619	74,779	89,100
11	Provider Relations Senior Liaison	60,458	67,619	74,779	89,100
12	IT- Project Coordinator	63,480	71,004	78,529	93,577
13	Decision Support Services Analyst	66,655	73,662	80,669	94,683
13	Provider Relations Analyst	66,655	73,662	80,669	94,683
13	Financial Analyst II	66,655	73,662	80,669	94,683
13	Quality Improvement HEDIS Analyst	66,655	73,662	80,669	94,683
13	Member Services Analyst	66,655	73,662	80,669	94,683
13	Human Resources Analyst/Generalist	66,655	73,662	80,669	94,683
13	IT - Business Analyst	66,655	73,662	80,669	94,683

Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

Pay Range	Position	Minimum	Annual	Mid-point	Maximum
14	Decision Support Services Writer	69,987	77,345	84,702	99,417
14	Buyer, Senior	69,987	77,345	84,702	99,417
15	Accountant Senior	73,487	81,461	89,435	105,382
15	Analyst - Decision Support Senior	73,487	81,461	89,435	105,382
15	Compliance Lead	73,487	81,461	89,435	105,382
15	Delegation Oversight Auditor	73,487	81,461	89,435	105,382
15	Nutritionist	73,487	81,461	89,435	105,382
15	IT- Sharepoint Development & Coordinator	73,487	81,461	89,435	105,382
15	Policy Analyst- Senior	73,487	81,461	89,435	105,382
15	Analyst - Quality Improvement Projects Senior	73,487	81,461	89,435	105,382
16	IT - Systems Analyst	77,161	84,871	92,581	108,000
17	IT - Business Analyst Senior	81,019	87,908	94,797	108,574
18	Manager - Content	85,070	92,303	99,536	114,002
18	Manager - Claims	85,070	92,303	99,536	114,002
18	Manager - Health Education	85,070	92,303	99,536	114,002
18	Manager - HR	85,070	92,303	99,536	114,002
18	Manager - Member Services	85,070	92,303	99,536	114,002
18	RN	85,070	92,303	99,536	114,002
18	RN - Case Manager and UR	85,070	92,303	99,536	114,002
18	RN - Facility Site Review/Master Trainer	85,070	92,303	99,536	114,002
19	Manager - Compliance	89,324	96,919	104,514	119,703
19	Manager - Projects	89,324	96,919	104,514	119,703
19	Manager - Provider Network	89,324	96,919	104,514	119,703
19	Manager - Vendor Contracts	89,324	96,919	104,514	119,703
20	IT - Project Manager	93,790	101,765	109,739	125,688
20	Manager - Communications	93,790	101,765	109,739	125,688
20	Manager - Decision Support Project	93,790	101,765	109,739	125,688

Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

Pay Range	Position	Minimum	Annual	Mid-point	Maximum
20	Manager - Grievances & Appeals	93,790	101,765	109,739	125,688
20	Manager - Quality Improvement Projects	93,790	101,765	109,739	125,688
21	Financial Analyst - Senior	98,480	106,853	115,226	131,972
22	Accounting Manager	103,404	112,196	120,987	138,570
22	IT - Project Manager Senior	103,404	112,196	120,987	138,570
23	Manager - Care Coordination	108,573	117,805	127,037	145,500
23	Manager- IT Project Management	108,573	117,805	127,037	145,500
23	Manager- IT Business Solutions	108,573	117,805	127,037	145,500
23	Manager- IT	108,573	117,805	127,037	145,500
23	Manager - Case Management	108,573	117,805	127,037	145,500
24	Director - Pharmacy	114,002	123,695	133,388	152,774
24	IT - Security Specialist	114,002	123,695	133,388	152,774
25	Director- Network Development	119,703	129,881	140,058	152,774
25	Director - Communications	119,703	129,881	140,058	152,774
25	Director - Health Education	119,703	129,881	140,058	152,774
25	Director - Compliance	119,703	129,881	140,058	152,774
25	Director - Human Resources	119,703	129,881	140,058	160,413
26	Controller	125,688	136,375	147,061	168,434
26	Director- Financial Analysis	125,688	136,375	147,061	168,434
26	Director - IT	125,688	136,375	147,061	168,434
27		131972	143,193	154,414	176,855
28	Director - Government Relations	138,570	150,353	162,135	185,700
28	Director- Operations	138,570	150,353	162,135	185,700
28	Director - Quality Improvement	138,570	150,353	162,135	185,700
29		145,500	157,871	170,242	194,983
30	Director - Health Services	152,774	165,764	178,753	204,732
31		160,413	174,052	187,692	214,970

Gold Coast Health Plan Pay Ranges Proposed 05/19/2014

Pay Range	Position	Annual Minimum		Mid-point	Maximum
32		168,433	182,754	197,075	225,717
33		176,855	191,892	206,929	237,003
34		185,700	201,488	217,277	248,853
35	Associate Chief Medical Officer	194,983	211,561	228,139	261,295
36		204,732	222,139	239,546	274,360
37	CFO	214,970	233,247	251,525	288,079
37	CIO	214,970	233,247	251,525	288,079
37	COO	214,970	233,247	251,525	288,079
38	CMO	225,717	244,909	264,100	302,483
39		206,000	231,750	257,500	309,000
40	CEO	237,003	257,154	277,305	317,607
41		248,853	270,012	291,170	333,487

Moved to new range

New budgeted positions for FY14-15

AGENDA ITEM 4a

To: Gold Coast Health Plan Commission

From: Michael Engelhard, Chief Executive Officer

Date: May 19, 2014

Re: CEO Update

OPERATIONS UPDATE

Membership

Total enrollment for May increased to more than 148,000 with the addition of 5,893 members. Since January, the Plan has added 28,013 members. While the Affordable Care Act (ACA) - driven Medi-Cal expansion has been the primary cause of the membership increase – 8,118 from the ACE / LIHP program, 7,279 new Medi-Cal Expansion members and 4,268 members from the state's outreach to CalFRESH members – GCHP has also experienced growth of 8,222 in the traditional Medi-Cal population. This latter figure is likely due to increased awareness of the Medi-Cal benefit due to Plan, County, State and Federal outreach campaigns.

FINANCE UPDATE

Adult Expansion Capitation Rates

Milliman (outside actuarial firm) has finalized PCP and Specialty contract capitation rates to be paid to providers for the Adult Expansion members. The Plan will be working with applicable providers this month with a targeted date to implement these rates on June 1, 2014.

COMPLIANCE UPDATE

The Plan received the official closure letter from the Department of Health Care Services (DHCS) on May 8, 2014 for Addendum B -- the Medical Review portion of the Consolidated Corrective Action Plan (CAP). Addendum B of the CAP identified more than 100 deficiencies with a review period of November 2011 through October 2012. The department recognized the Plan for our cooperation and support in closing out Addendum B deficiencies. The close out of Addendum B reflects the hard work of GCHP staff in all areas of the organization. The Plan is actively working with DHCS on Addendum A – the financial portion of the consolidated CAP.

The Department of Health Care Services will be removing hemophilia blood factor from Medi-Cal managed care beginning July 1, 2014. Plans were notified of this change via Operating Instruction Language (OIL) letters that these services will be carved out of the Plan contracts. Additional information will be made available in the future.

The Delegation Oversight (DO) department is ramping up efforts and preparing for onsite audits of delegated entities. In addition, staff is working with delegates to ensure reporting per contracts is being conducted and in enforcing contractual requirements. Delegation oversight was an area of deficiency identified in the Medical CAP. The Plan has committed to developing a work plan which increases delegation oversight efforts and appropriate enforcement if and when delegates fail to meet standards.

The Compliance Officer / Director and General Counsel attended the Department of Justice (DOJ) Statewide meeting in Los Angeles on May 13, 2014. GCHP was one of the six plans that presented material on Fraud Waste and Abuse (FWA) at this mini-conference. Compliance staff continues to actively engage in all requests and meeting with DOJ as an ongoing effort to combat fraud, waste and abuse.

GOVERNMENT AFFAIRS UPDATE

May Revise Budget

The Governor released his revised state budget proposal on Tuesday, May 13th. The Administration's revised state budget indicates that state revenues are $2.4 billion more than predicted in January 2014, however expenditures have increased in roughly the same amount.

Total Medi-Cal expenditures in 2014-15 have increased by $2.83 billion since January's proposed budget for a total of $24.5 billion. Due to expanded eligibility criteria Medi-Cal enrollment is now expected to increase from 7.9 million before implementation of the Affordable Care Act (ACA) to 11.5 million in 2014-15. This represents roughly 30 percent of the state's population.

The revised budget proposes increased expenditures in a few key areas:

- Medi-Cal funding, due to increased projections of previously eligible Medi-Cal enrollees.
- Pediatric vision pilot program in Los Angeles County
- Rainy Day Fund and paying down the debt

Medi-Cal Funding

The May revise budget includes an increase in Medi-Cal managed care funding due to increased enrollment of previously eligible Medi-Cal applicants between January and May.

Included in the budget revision are increases in mental health and substance use disorder benefits; additional costs for CalHEERS due to Medi-Cal application backlogs; decreased county realignment funding under AB 85.

The May revise budget also kept a number of proposals from the January budget intact without changes. These include: the single statewide outpatient drug formulary (see legislation update below for more information on this topic); AB 97 retroactive recoupments; a pediatric dental outreach program; coverage of out-of-pocket costs for pregnant women; elimination of the Managed Risk Medical Insurance Board (MRMIB); and non-payment and reporting of provider preventable conditions.

Medi-Cal Pediatric Vision Pilot Program

Los Angeles County will begin a Medi-Cal pediatric vision pilot program. The pilot program will utilize mobile vision service providers to contract with school districts to provide on-site vision exams and eyeglasses to children enrolled in Medi-Cal managed care plans. The budget allocates $2 million ($1 million General Fund) for this program in 2014-15.

Rainy Day Fund

The May revise budget includes a rainy day fund proposal negotiated by the Governor and the Legislature. Under this proposal, capital gains revenue that exceeds 8% of the general fund would be set aside in a rainy day fund. Of these funds, fifty percent will be used to pay down current debts, and fifty percent will be deposited in the rainy day fund to pay down unfunded pension liabilities. By 2017-18, the fund is projected to produce approximately $2.195 billion in revenue.

Covered California: Results from the First Open Enrollment

On Tuesday, May 6th the Assembly Committee on Health held an informational hearing where Covered California, the Department of Health Care Services (DHCS), and various stakeholders highlighted the successes California experienced during the open enrollment period.

Peter Lee, Executive Director of Covered California, testified that a total of 1.4 million Californians gained health insurance coverage through Covered California. Medi-Cal gained a total of 1.9 million beneficiaries through the Exchange. Mr. Lee noted a need to increase outreach efforts in the Latino community.

Medi-Cal Application Backlog

Toby Douglas, Director of DHCS, testified that there is a backlog of 900,000 Medi-Cal applications pending in the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS). According to Mr. Douglas several measures have been implemented to address the backlog. First, the requirement for paper residency verification was eliminated; second, DHCS is providing county eligibility workers with additional guidance in the eligibility process.

Third, DHCS is working on automation fixes in the CalHEERS system to improve interface communication with county systems.

The California Association of Health Plans has weighed-in on this issue with a recommendation that DHCS postpone the annual eligibility redetermination process for the current Medi-Cal population to provide counties ample time to complete the current workload.

California Endowment To Assist With Medi-Cal Renewals

Both the Assembly and Senate Budget Subcommittees on Health and Human Services approved The California Endowment proposed trailer bill language to donate up to $6 million to DHCS. The donation will be matched with federal funds and used to assist Medi-Cal beneficiaries with required renewals.

As a follow up to a meeting with Camarillo's City Manager concerning public transportation access for GCHP members, GCHP's Director of Government Affairs met with the City of Camarillo Manager of Transportation Services, Roc Pulido and Thomas Fox, Director of Public Works. The purpose of this meeting was to discuss GCHP's service population and their transportation needs.

Legislation and Related Issues

The State legislature is in the second year of a two-year session which ends on August 31, 2014. The deadline for the Senate and Assembly Committees on Appropriations to vote on bills with a fiscal effect is May 23rd. Budget Subcommittee hearings will begin next week to deliberate and vote on the Administration's proposals included in the May revise budget. The legislature must pass the 2014-15 state budget by June 15th or members of the Legislature forfeit their pay for each day that a budget is not approved.

Single Statewide Drug Formulary

The single statewide formulary proposal for Medi-Cal managed care plans continues in the May revise but no cost estimate was included. Managed care plans and other constituents are opposed to this proposal.

Medi-Cal Related Bills

AB 1814 Prescriber Prevails Act
Summary: this bill proposes that any drug prescribed by a provider in one of five therapeutic categories must be covered by Medi-Cal managed care plans if the provider deems the drug to be medically necessary. This bill is currently held under the suspense file.

SB 964 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 (DMHC). The bill also requires DMHC to create a standard reporting template for this purpose.

SB 1081 Federally Qualified Health Centers Payment Reform
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.

Participation in the pilot project is optional for Medi-Cal managed care plans. This bill was recently amended to include the following counties:

Alameda; Contra Costa; Los Angeles; Merced; Monterey; San Mateo; Santa Clara; and Solano.

SB 1150 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 adds a mental health visit.

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

HEALTH EDUCATION AND COMMUNITY OUTREACH

Gold Coast Health Plan continues to participate in community education and outreach activities throughout the county. The health education and outreach team conducted the following activities during the months of March and April. In addition, GCHP will host a Community Resource Fair at Del Sol Park in Oxnard on June 28, 2014 from 9:00 AM - 4:00 PM. The goal of the resource fair is to increase awareness about community health and social service resources available in the community.

GCHP Health Education and Outreach Department sponsored two community health fairs during the month of March. On March 9, 2014, GCHP sponsored a community health fair at the Simi Valley Public Library and March 15, 2014, at the Oxnard Public Library. Approximately 85 children and families were reached during these two events.

During the month March 2014, GCHP Health Education and Outreach Department received two certificates of appreciation from the following agencies: 1) The National Association

Against Child Cruelty & The Children's Wall of Tears, for our participation in the 1st Annual Celebrating Children's Day and 2) The Life After Brain Injury for our participation in the 3rd Annual Brain Injury Resource Fair. Both events were well received by the general public and we look forward to continued participation.

The health education and outreach team partnered with GCHP's Member Services Department to expanded outreach efforts to increase awareness about GCHP' Monthly Member Orientation meetings. GCHP health education and outreach team participated in local farmer's markets in Simi Valley to help increase awareness of member orientation meetings in Simi Valley. Staff continues to participate in local events throughout the county to increase awareness of orientation meetings.

Outreach Events

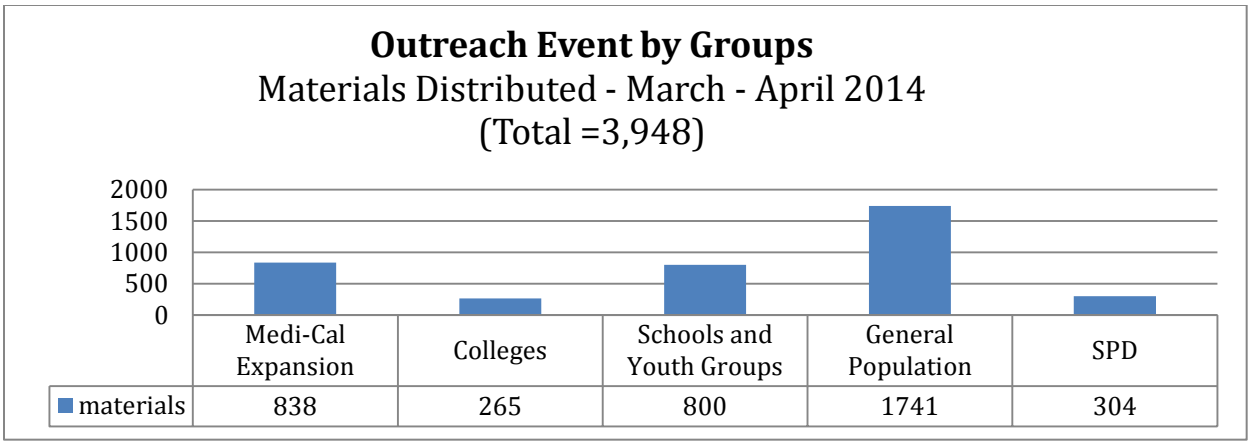
School and Youth Groups

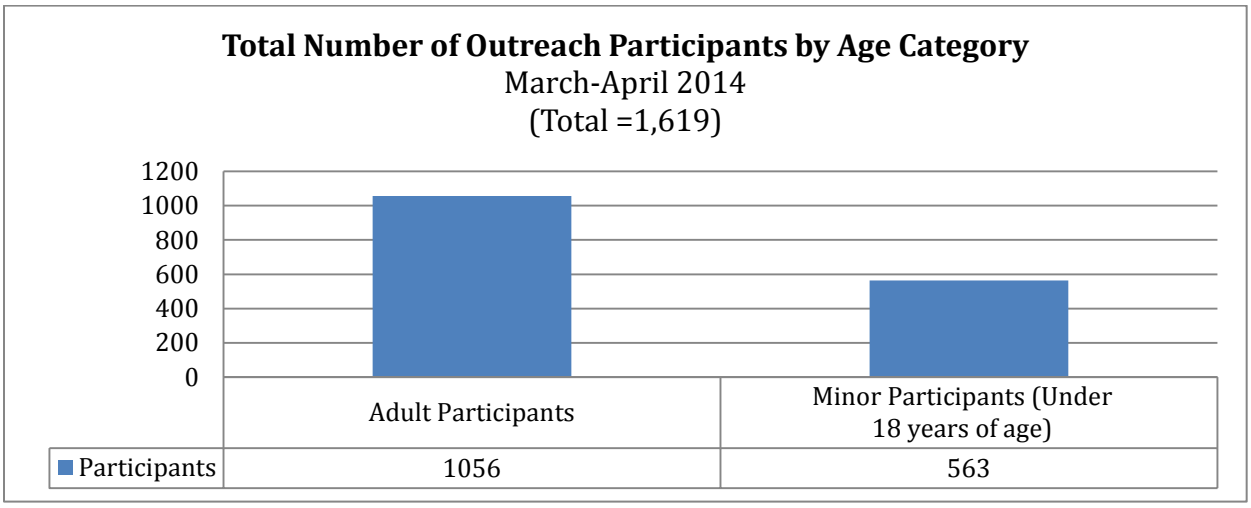
During the months of March and April GCHP's outreach and health education team participated in community events that reached youth and school based groups and distributed approximately 800 health promotion materials.

Community Health Fairs and General Population

GCHP health education and outreach staff participated in approximately 32 community health and resource fairs. A total of 3,948 pieces of literature was distributed and approximately 1,619 adults and children were reached during the reporting period of March and April 2014. GCHP participated in the 24th Annual Multicultural Day at Moorpark College and distributed over 200 pieces of literature.

Overall, information distributed during outreach events is related to GCHP services, healthy lifestyle, and the Affordable Care Act (ACA). Information regarding GCHP services and healthy lifestyle continue to be the greatest volume of distribution during outreach events. Below is a chart that outlines the distribution of materials and the total number participants by age group.





Activities

Overall GCHP health education and outreach staff participated in 30 community outreach events / health fairs and hosted two (2) community health fairs throughout the county. Below is a list of events and / or activities:

March 2014

Date	Event / Activities
03/01	"Walking the Path Together" – Conference and Resource Fair
03/05	Covered California Healthcare Forum
03/06	Transition Fair
03/08	One Billion Rising for Justice
03/09	GCHP Community Health Fair and Forum
03/11	VCMC Baby Steps Program

03/14	La Hermandad Food Distribution
03/15	Brain Injury Resource Fair
03/15	GCHP Community Health Fair and Forum
03/18	Member Orientation Meeting (English)
03/18	SPH Baby Steps Program
03/19	Westpark Community Center Monthly Food Distribution & Health
03/20	Member Orientation Meeting (Spanish)
03/20	Covered California Presentation
03/23	Reiter Affiliated Companies 4th Annual Resource Fair
03/29	Mixteco / Indigena Community Organizing Project (MICOP)
03/29	NAACC – Celebrating Children's Day

April 2014

Date	Event / Activities
04/08	VCMC Baby Steps Program
04/09	Member Orientation Meeting (Spanish)
04/09	Member Orientation Meeting (English)
04/11	La Hermandad Food Distribution
04/13	Jornada Dominical and Health Fair
04/15	VCMC Baby Steps Program
04/15	24th Annual Multicultural Day
04/16	Westpark Community Center Monthly Food Distribution & Health
04/16	Committee Meeting - Housing Authority of the City of Ventura
04/19	MICOP – Celebrating Children's Day
04/23	Member Orientation Meeting (Spanish)
04/23	Member Orientation Meeting (English)
04/25	Simi Valley Farmers Market
04/26	Spring Into Health - Health Fair at the Ventura College Market Place
04/26	MICOP – Celebrating Children's Day

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.

GCHP Community Resource Fair vendor registration form and Save the Date flyer were emailed to members of the GCHP Consumer Advisory Committee and to community partners. To date approximately 10 agencies have submitted their registration form to participate in the community resource fair. Staff will continue to follow-up with pending agencies regarding their registration form.

For additional information about upcoming health education and community outreach events, please refer to the GCHP Website at www.goldcoasthealthplan.org for date and time of events. If you have any additional questions, please send an email to Outreach@goldchp.org.

AGENDA ITEM 4b

To: Gold Coast Health Plan Commission

From: Ruth Watson, Chief Operating Officer

Date: May 19, 2014

Re: COO Update

OPERATIONS UPDATE

ACA-Health Care Reform and Medicaid Expansion

Membership

Total enrollment for May exceeded 148,000, showing an addition of 5,893 members from April. Since January the plan has added 28,013 members. While ACA and Medi-Cal expansion has driven the majority of the membership increase – 8,118 from the ACE / LIHP program, 7,279 new Medi-Cal Expansion members and 4,268 members from the state's outreach to CalFRESH members – GCHP has also experienced growth of 8,222 in the traditional Medi-Cal population. This latter figure is likely due to increased awareness of the Medi-Cal benefit due to Plan, County, State and Federal outreach campaigns.

Temporary Eligibility for Medi-Cal Pending Cases

There continues to be a number of MAGI Medi-Cal (MC) applications processed through the Covered California portal and pending Medi-Cal status due to various verification reasons. The state used the '8E' aid code to identify both adults and children in this category as "on hold" and active for MC fee for service (FFS) pending transition to GCHP by the State.

The Plan's May eligibility file included 3,018 '8E' members in this aid code - 2,274 remain pending from April, 489 became active GCHP members with various aid codes and 740 new 8E members were added in May.

Mental Health Benefit

GCHP's contracted behavioral health management organization (BHMO), Beacon Health Strategies (Beacon) received 1,201 combined member and provider calls. There were 1,102 member calls and 99 provider calls - 93% of all calls are answered within 30 seconds meeting service level agreements for the first quarter of 2014.

Beacon has contracted with 256 providers for delivery of behavioral health services to GCHP's members.

Since January 2014, more than 400 members have been referred to various contracted providers by Beacon for mild to moderate behavioral health services. GCHP's Medical team continues to work collaboratively with Beacon and County Mental Health to insure

successful and appropriate transfers to the Co Single Statewide Drug Formulary unty Mental Health program for higher acuity mental health services.

April 2014 Operations Summary

Claims Inventory – continued to rise due to increased membership and corresponding claims receipts. Claims receipts from January through April are as follows:

- January – 91,130
- February – 90,048
- March – 109,857
- April – 110,855

This is approximately a 21% increase since January 2014.

Claims TAT – in spite of increased claims volume, we continued to exceed the regulatory requirements of processing 90% of clean claims within 30 calendar days with a result of 97.4%

Claims Processing Accuracy – exceeded both the financial and procedural goals in April.

Call Volume – increased membership has resulted in an increased call volume, predominantly on the provider side. Overall, calls increased by 9% from March.

Average Speed to Answer – we continue to significantly exceed the goal of answering calls within 30 seconds or less. The combined results for April were 6.0 seconds.

Abandonment Rate – the abandonment rate continues to remain exceedingly low. The goal is 5% or less of the calls received being abandoned; we have remained below 1% for 11 of the last 12 months.

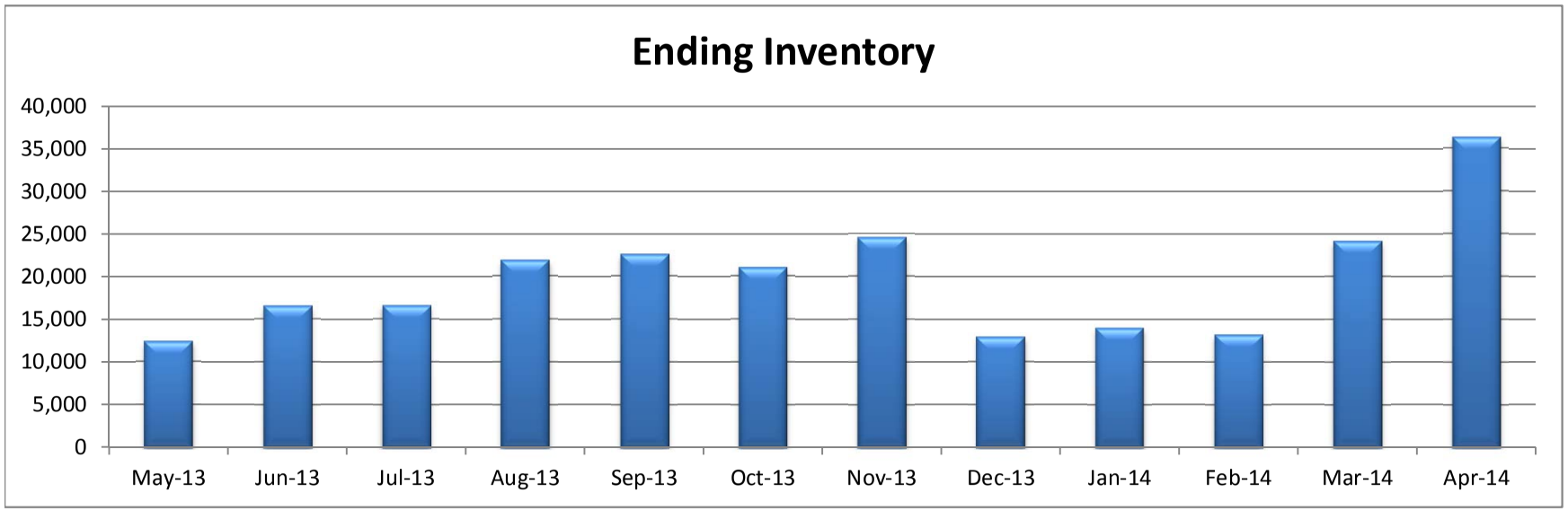
Average Call Length – the combined result of 6.26 minutes meets the goals of 7 minutes or less. The Spanish results were slightly over 7 minutes; however, non-English calls typically take longer than English calls to complete.

Local Member Services – We are exploring the option of having some of our Member Services Representatives become Certified Enrollment Counselors (CEC) or Certified Application Assisters (CAA) and locating them remotely in Oxnard a few days / hours per week.

Member Orientation Meetings –meetings have been scheduled in various locations throughout Ventura County through June 2014 to provide opportunities for members to learn more about GCHP and gain a better understanding about their health plan. Meetings are held in both English and Spanish. To date, meetings have been held in Santa Paula, Simi Valley and Oxnard. Meetings are also scheduled for Fillmore, Ojai and Ventura.

APRIL OPERATIONS REPORTS ATTACHED:

Claims Inventory Summary



May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
12,385	16,554	16,601	21,894	22,590	21,051	24,585	12,924	13,999	13,201	24,185	36,329

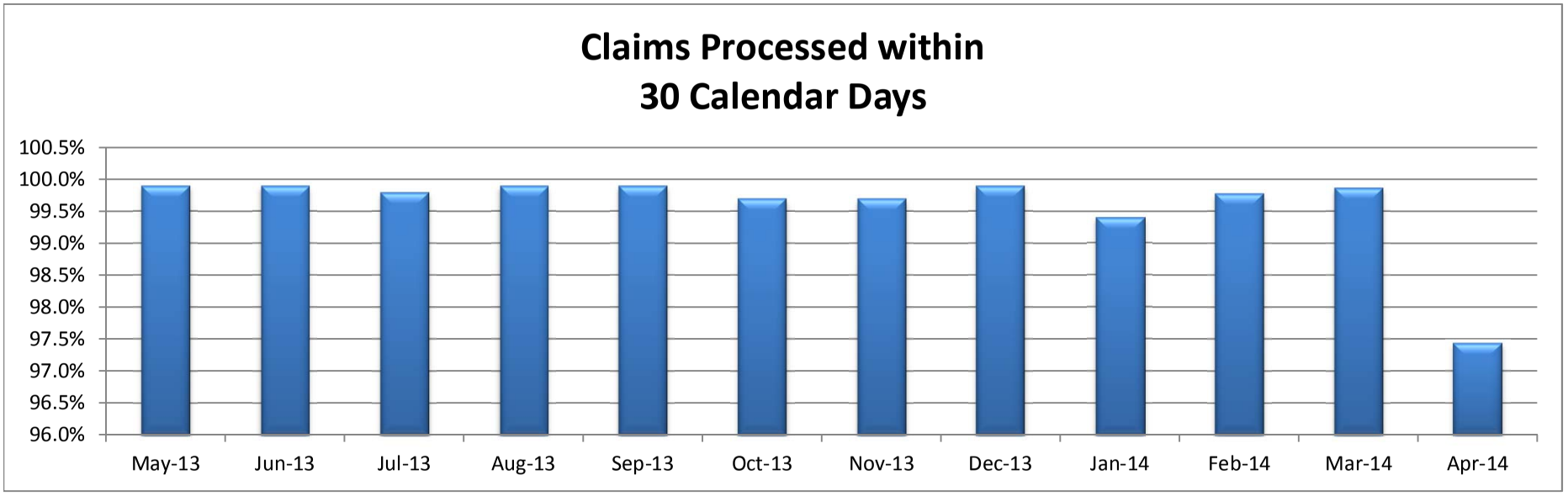
Goal: 21,000 or less (based on membership as of April 2014)

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: April 2014 increase continue to reflect increased membership. Average daily claim receipts have increased from an average of 3,100-3,300 per day in January 2014 to 5,000-5,500 per day in April. Six additional claims processors have been hired by Xerox to address the higher than anticipated membership and resulting claims volume.

Claims Processing Turnaround Time

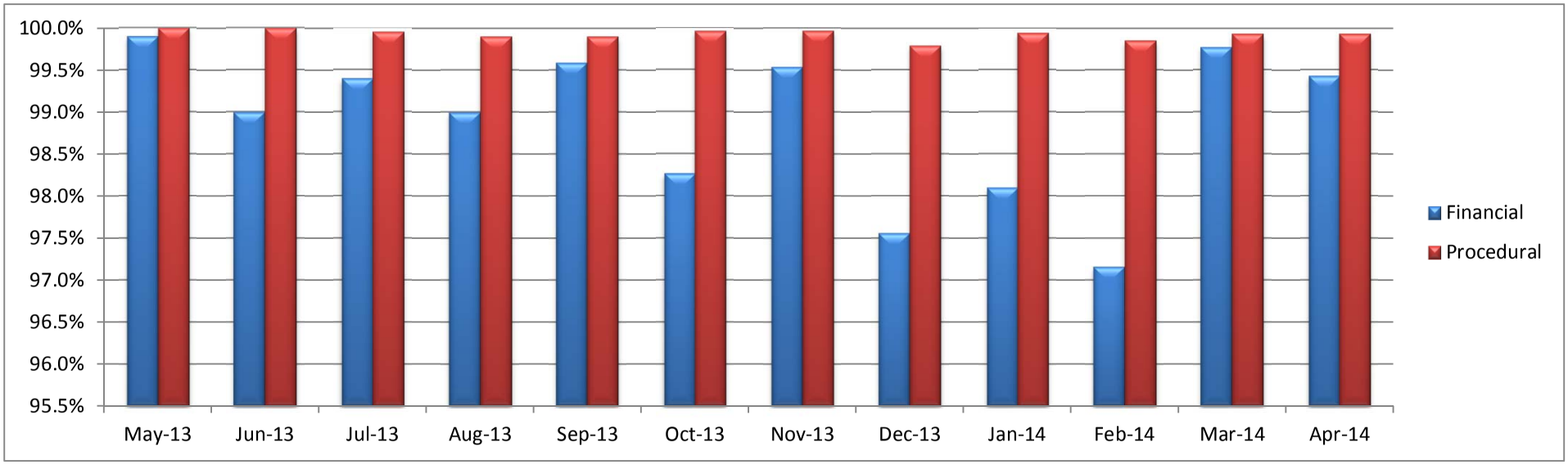
Apr-14	1-30 Days		31-45 Days		46-60 Days		Over 60 Days		Total Claims
	#	%	#	%	#	%	#	%	
Clean Claims	109,338	97.58	2,658	2.37	28	0.02	29	0.03	112,053
Contested Claims	1,930	90.06	212	9.89	0	0	1	0.05	2,143
Total Claims	111,268	97.44	2,870	2.51	28	0.02	30	0.03	114,196



May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
99.9%	99.9%	99.8%	99.9%	99.9%	99.7%	99.7%	99.9%	99.4%	99.8%	99.9%	97.4%

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

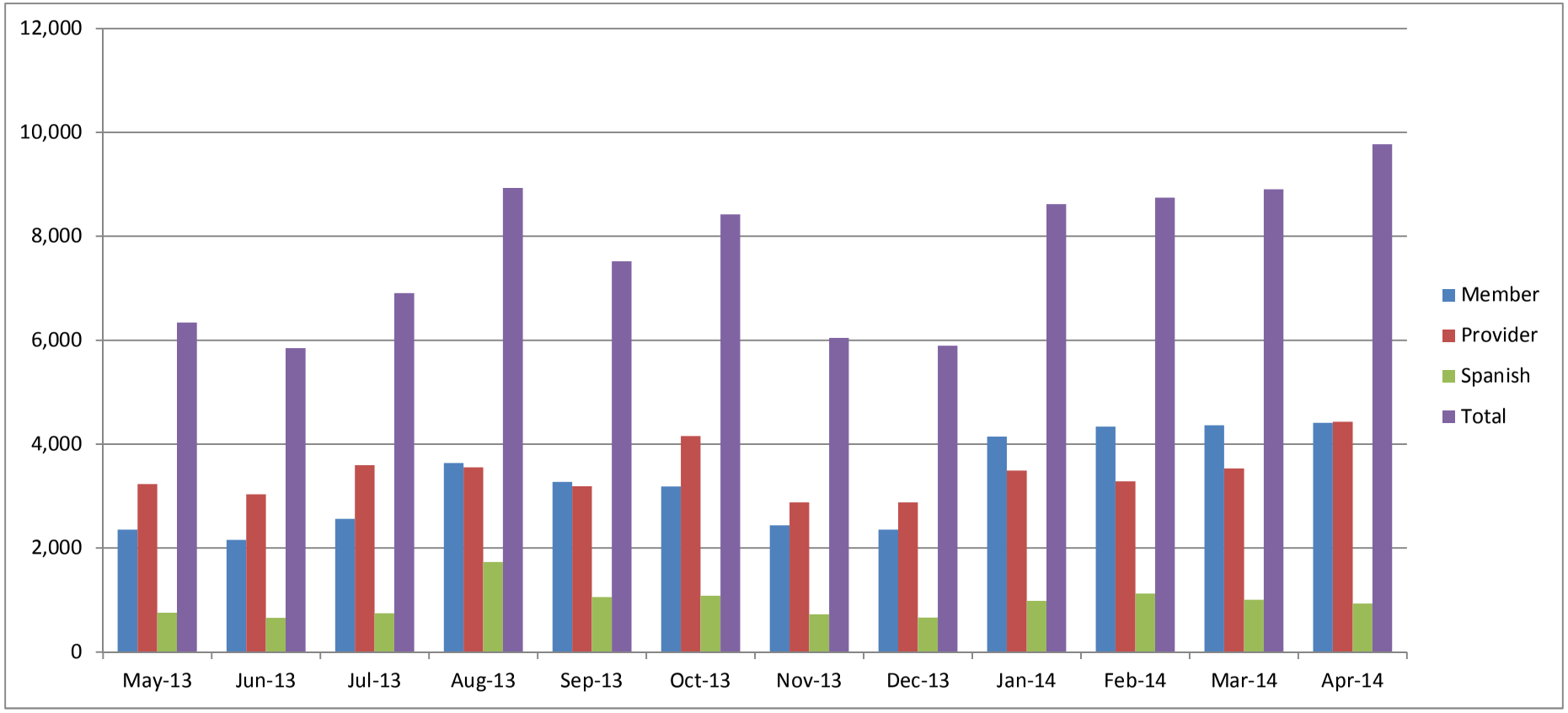
Claims Processing Accuracy



	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Financial	99.9%	99.0%	99.4%	99.0%	99.59%	98.27%	99.54%	97.56%	98.10%	97.16%	99.77%	99.43%
Procedural	100.0%	100.0%	99.95%	99.9%	99.9%	99.96%	99.97%	99.79%	99.94%	99.85%	99.93%	99.93%

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

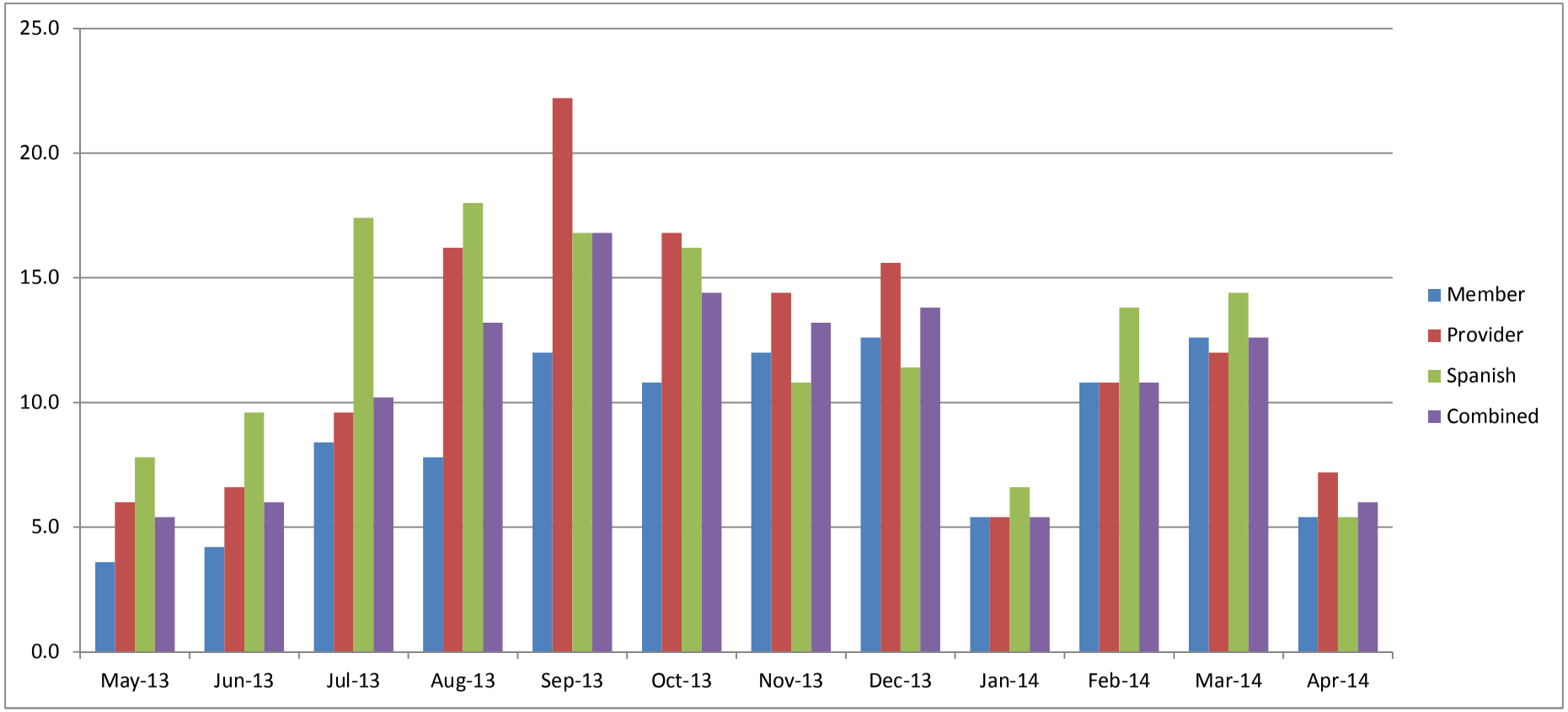
Xerox Call Center Volume



	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Member	2,356	2,157	2,562	3,639	3,276	3,185	2,439	2,354	4,143	4,339	4,365	4,408
Provider	3,230	3,033	3,596	3,556	3,190	4,155	2,881	2,877	3,491	3,282	3,534	4,430
Spanish	755	658	748	1,734	1,055	1,082	724	664	986	1,123	1,004	933
Total	6,341	5,848	6,906	8,929	7,521	8,422	6,044	5,895	8,620	8,744	8,903	9,771

Xerox Call Center Average Speed to Answer

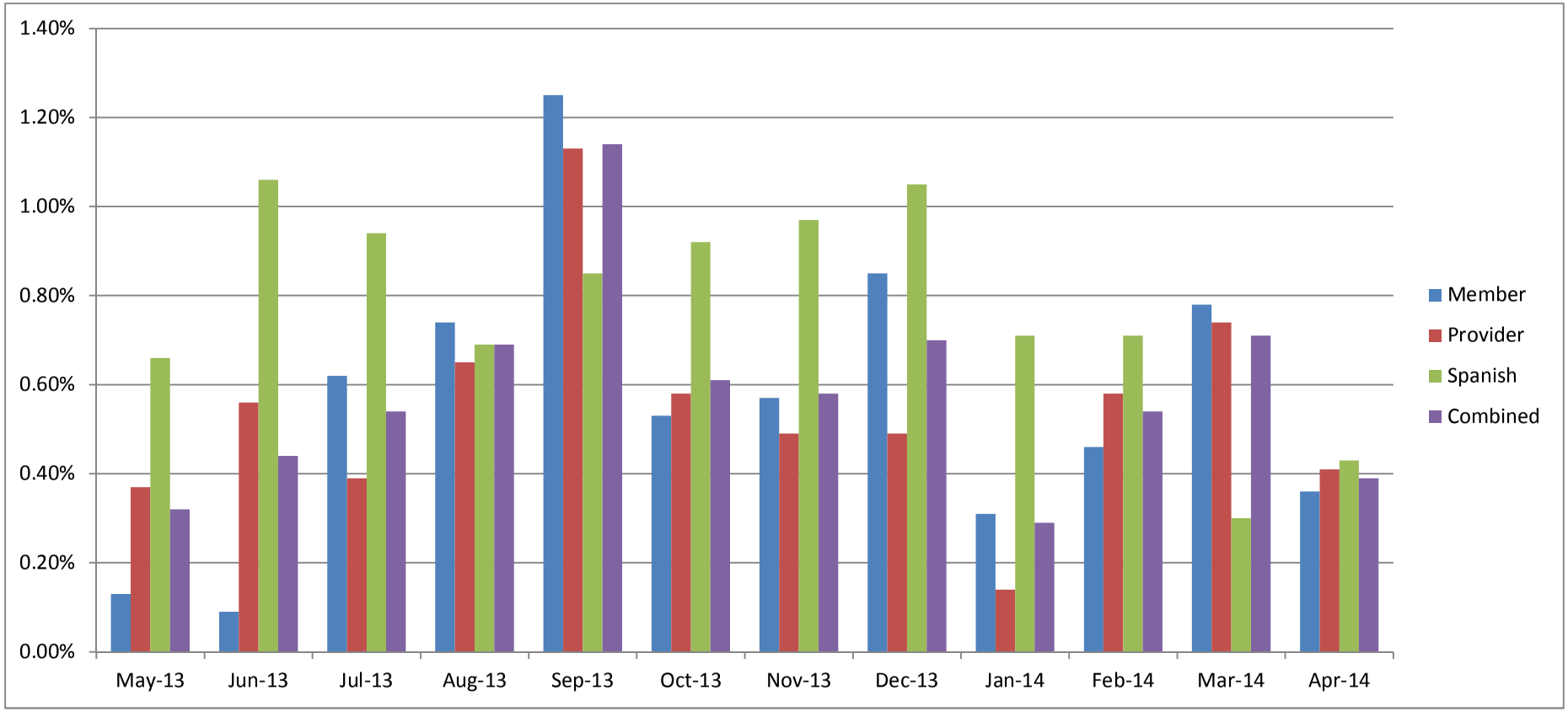
(in seconds)



	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Member	3.6	4.2	8.4	7.8	12.0	10.8	12.0	12.6	5.4	10.8	12.6	5.4
Provider	6.0	6.6	9.6	16.2	22.2	16.8	14.4	15.6	5.4	10.8	12.0	7.2
Spanish	7.8	9.6	17.4	18.0	16.8	16.2	10.8	11.4	6.6	13.8	14.4	5.4
Combined	5.4	6.0	10.2	13.2	16.8	14.4	13.2	13.8	5.4	10.8	12.6	6.0

GOAL: 30 seconds or less

Xerox Call Center Abandonment Rate

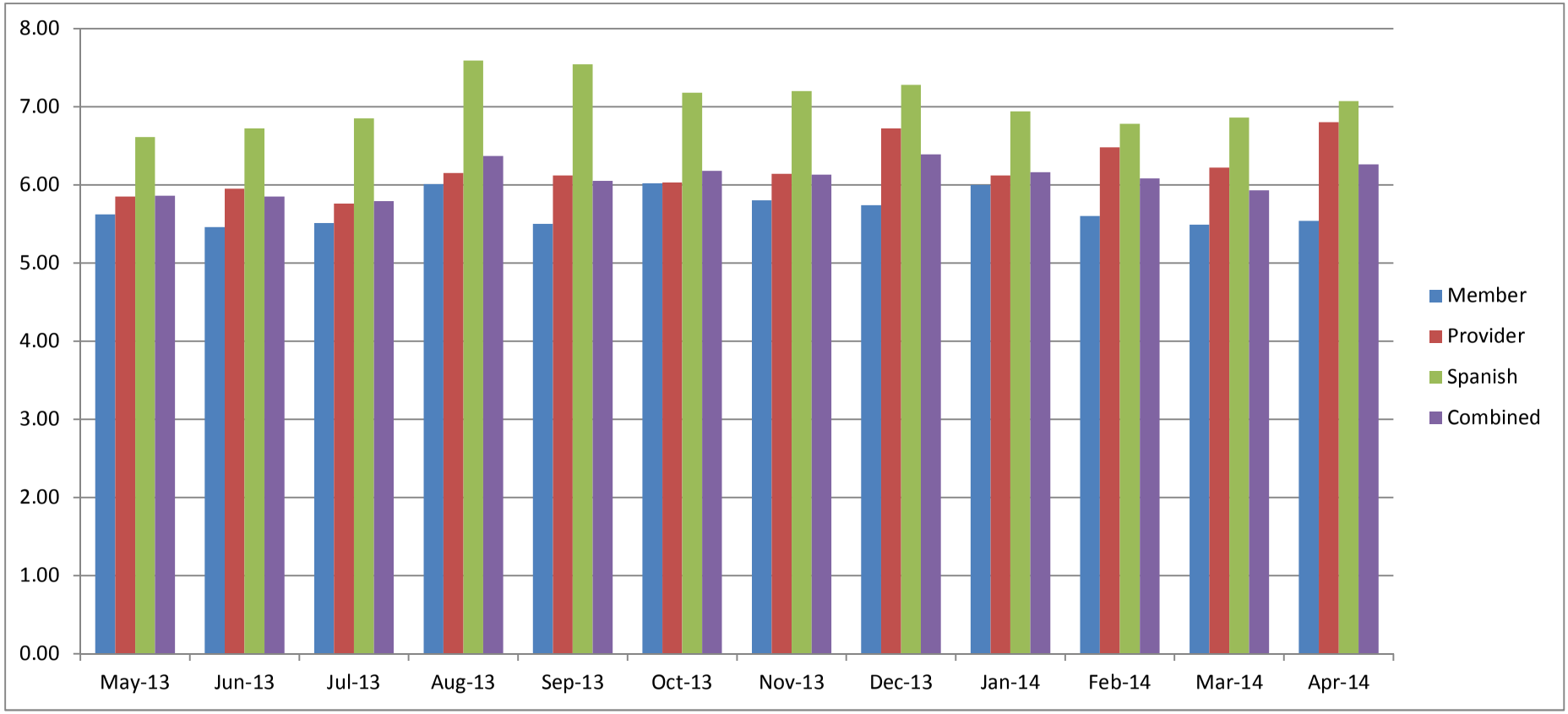


	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Member	0.13%	0.09%	0.62%	0.74%	1.25%	0.53%	0.57%	0.85%	0.31%	0.46%	0.78%	0.36%
Provider	0.37%	0.56%	0.39%	0.65%	1.13%	0.58%	0.49%	0.49%	0.14%	0.58%	0.74%	0.41%
Spanish	0.66%	1.06%	0.94%	0.69%	0.85%	0.92%	0.97%	1.05%	0.71%	0.71%	0.30%	0.43%
Combined	0.32%	0.44%	0.54%	0.69%	1.14%	0.61%	0.58%	0.70%	0.29%	0.54%	0.71%	0.39%

GOAL: 5% or less

Xerox Call Center Average Call Length

(in minutes)

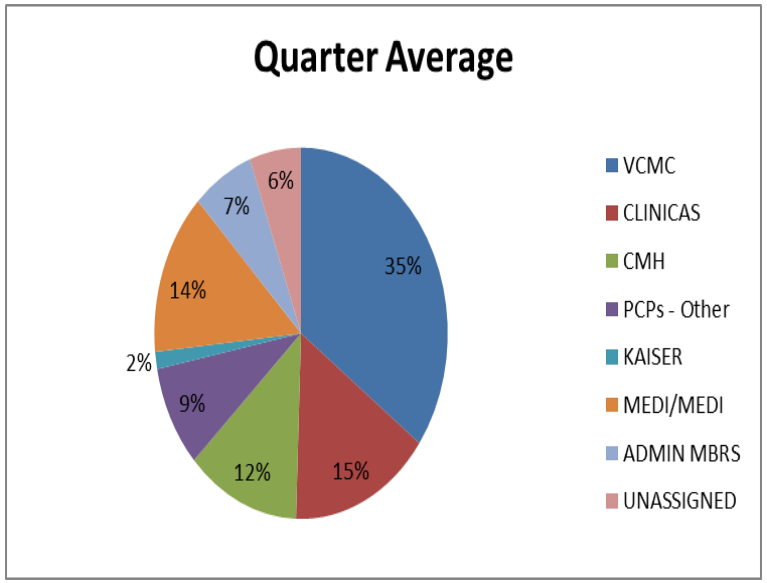


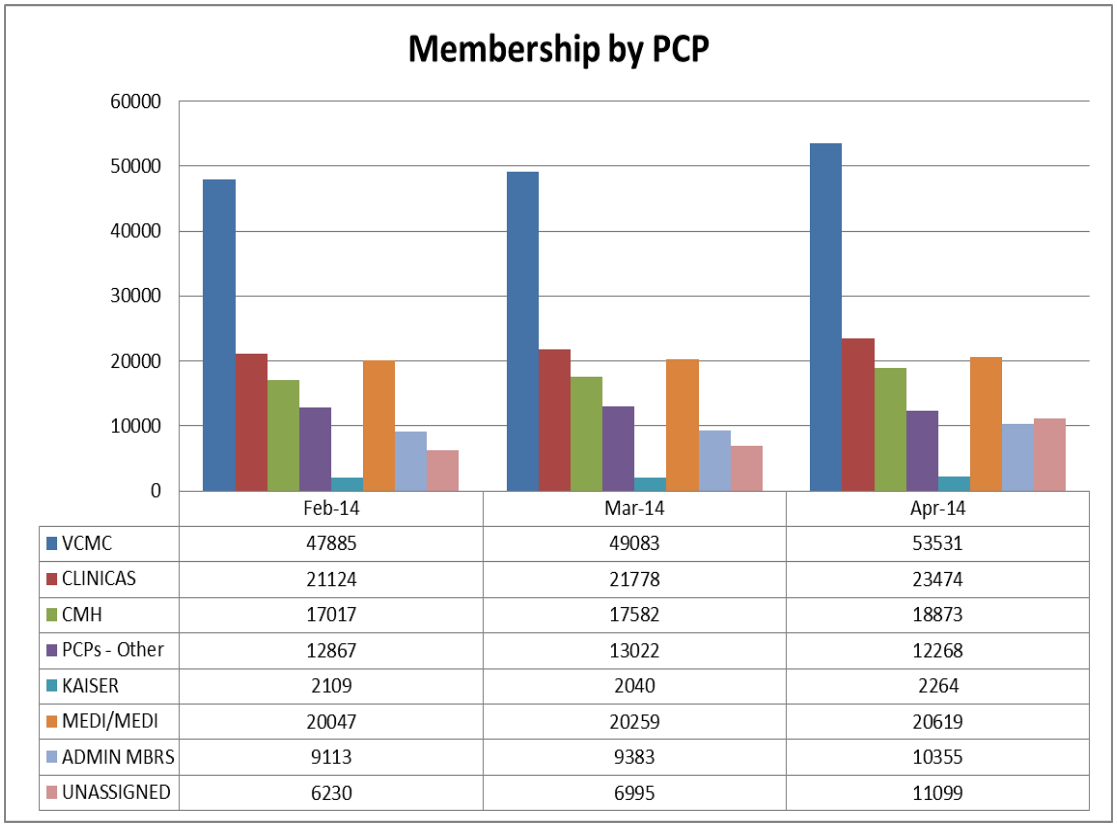
	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Member	5.62	5.46	5.51	6.01	5.50	6.02	5.80	5.74	6.00	5.60	5.49	5.54
Provider	5.85	5.95	5.76	6.15	6.12	6.03	6.14	6.72	6.12	6.48	6.22	6.80
Spanish	6.61	6.72	6.85	7.59	7.54	7.18	7.20	7.28	6.94	6.78	6.86	7.07
Combined	5.86	5.85	5.79	6.37	6.05	6.18	6.13	6.39	6.16	6.08	5.93	6.26

GOAL: 7 minutes or less

PCP / Member Assignment Report

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



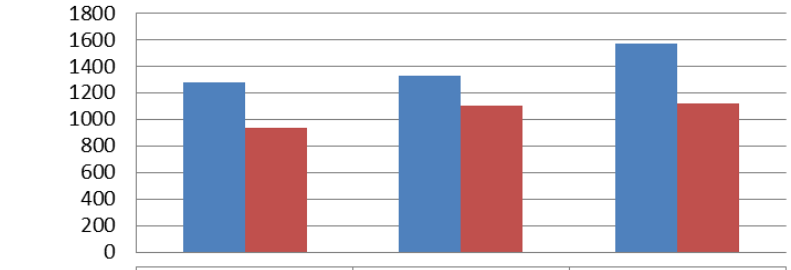


	Feb-14	Mar-14	Apr-14
VCMC	47885	49083	53531
CLINICAS	21124	21778	23474
CMH	17017	17582	18873
PCPs - Other	12867	13022	12268
KAISER	2109	2040	2264
MEDI/MEDI	20047	20259	20619
ADMIN MBRS	9113	9383	10355
UNASSIGNED	6230	6995	11099

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

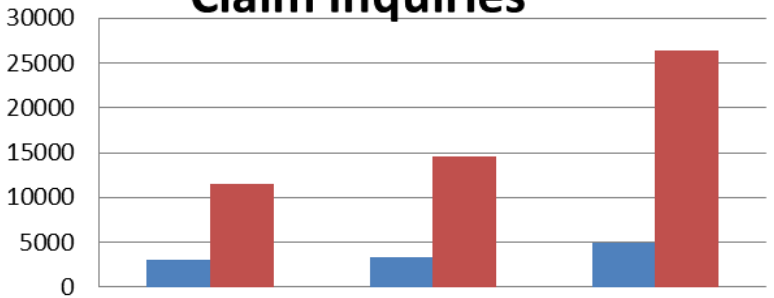
Provider Portal / Call Center Usage

Authorization Request/Inquiries



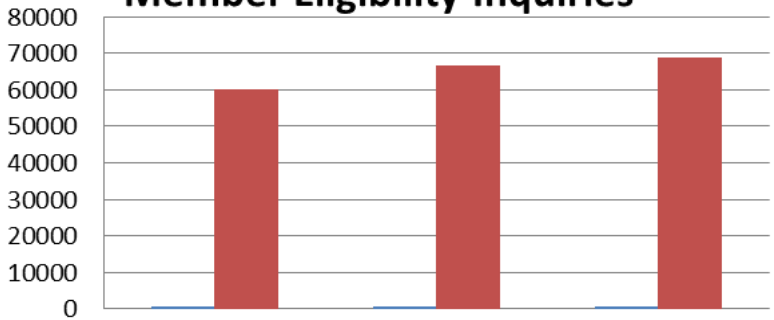
	Feb-14	Mar-14	Apr-14
Call Center	1276	1333	1571
Portal	937	1104	1123

Claim Inquiries



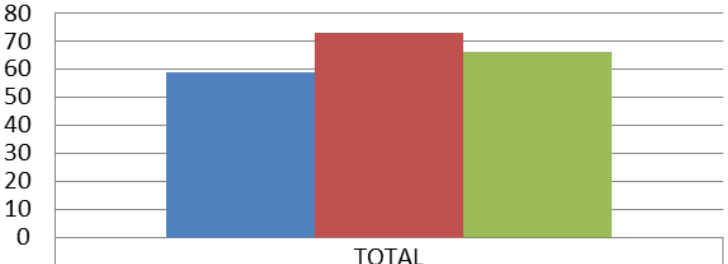
	Feb-14	Mar-14	Apr-14
CALL CENTER	3099	3385	4888
PORTAL	11583	14535	26387

Member Eligibility Inquiries



	Feb-14	Mar-14	Apr-14
IVR	563	622	625
PORTAL	59928	66563	68632

Provider Portal New Registration



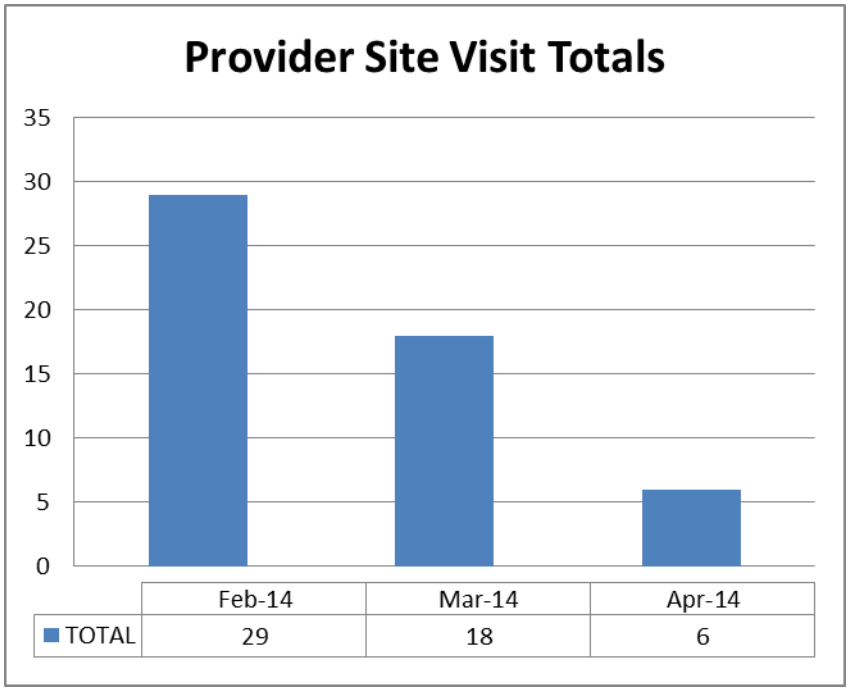
	TOTAL
Feb-14	59
Mar-14	73
Apr-14	66

Provider Site Visit Tracking

April 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: March and April site visits dropped as a result of staffing shortage and staffing changes. The department is now adequately staffed and team members are being trained. GCHP anticipates that these numbers will normalize during second quarter.



AGENDA ITEM 4c

To: Gold Coast Health Plan Commission

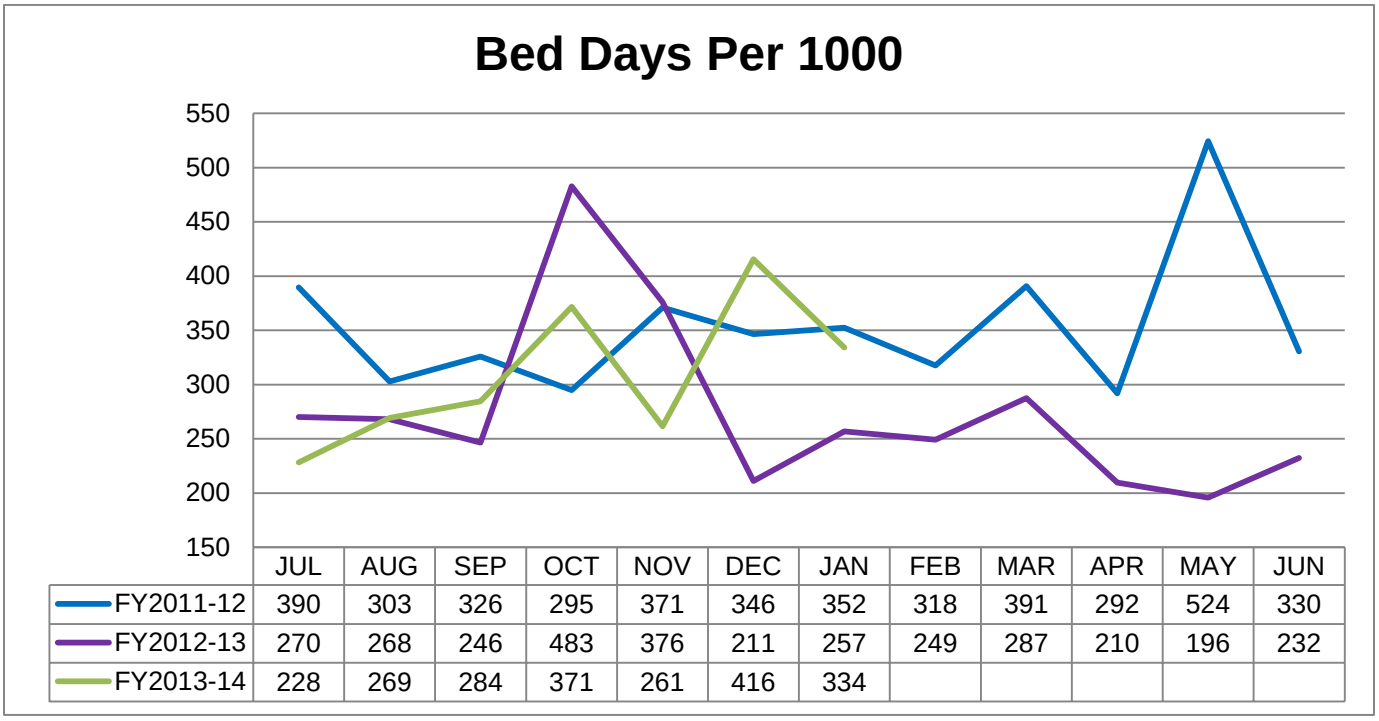
From: Dr. Nancy Wharfield, Associate Chief Medical Officer

Date: May 19, 2014

Re: Health Services Update

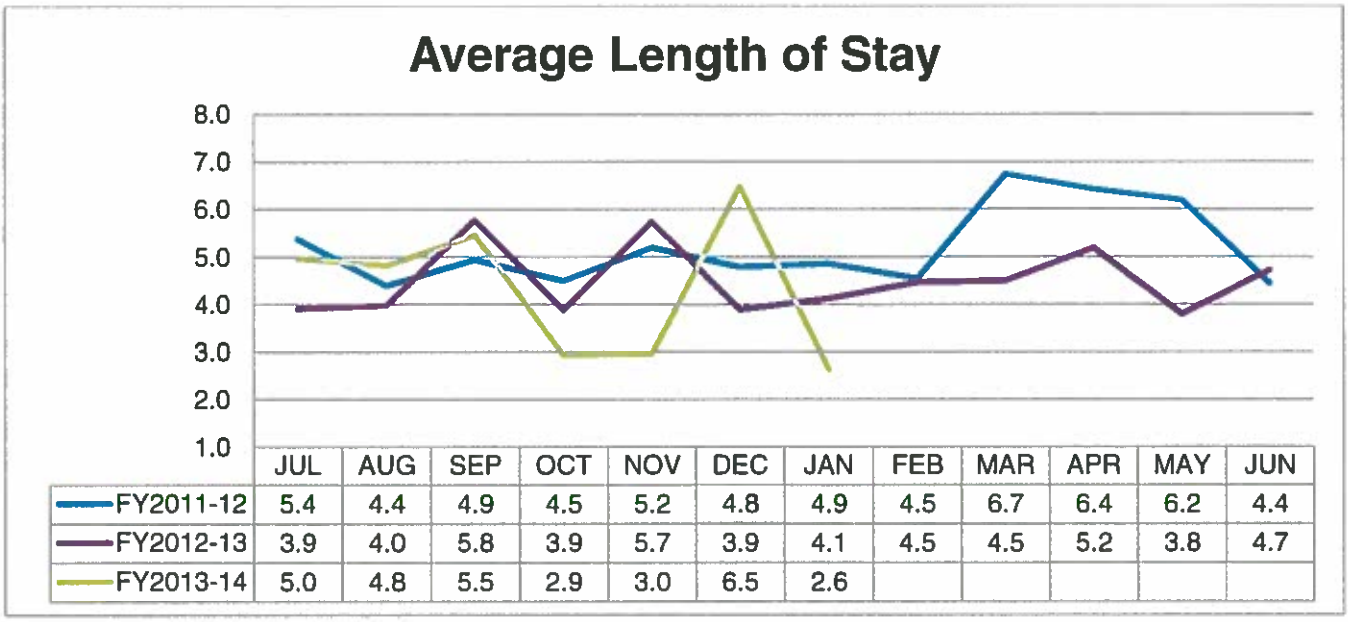
Inpatient Utilization
Inpatient days/1000 members showed a seasonal spike in December 2013.

Inpatient days/1000 members and average length of stay calculations are based on paid claims and are lagged by 3 months to allow for 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.



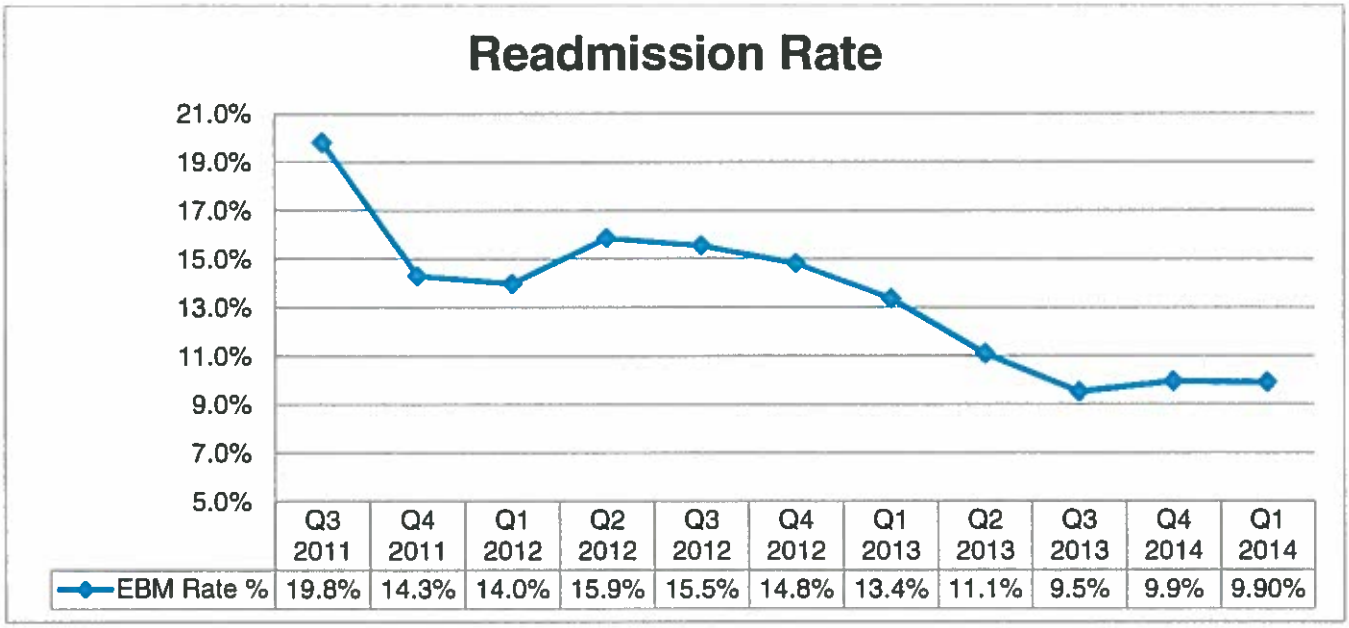
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY2011-12	390	303	326	295	371	346	352	318	391	292	524	330
FY2012-13	270	268	246	483	376	211	257	249	287	210	196	232
FY2013-14	228	269	284	371	261	416	334					

Average Length of Stay
Average length of stay showed a peak in December of 2013 consistent with increased bed days/1000 for this month.



	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	2.9	3.0	6.5	2.6					

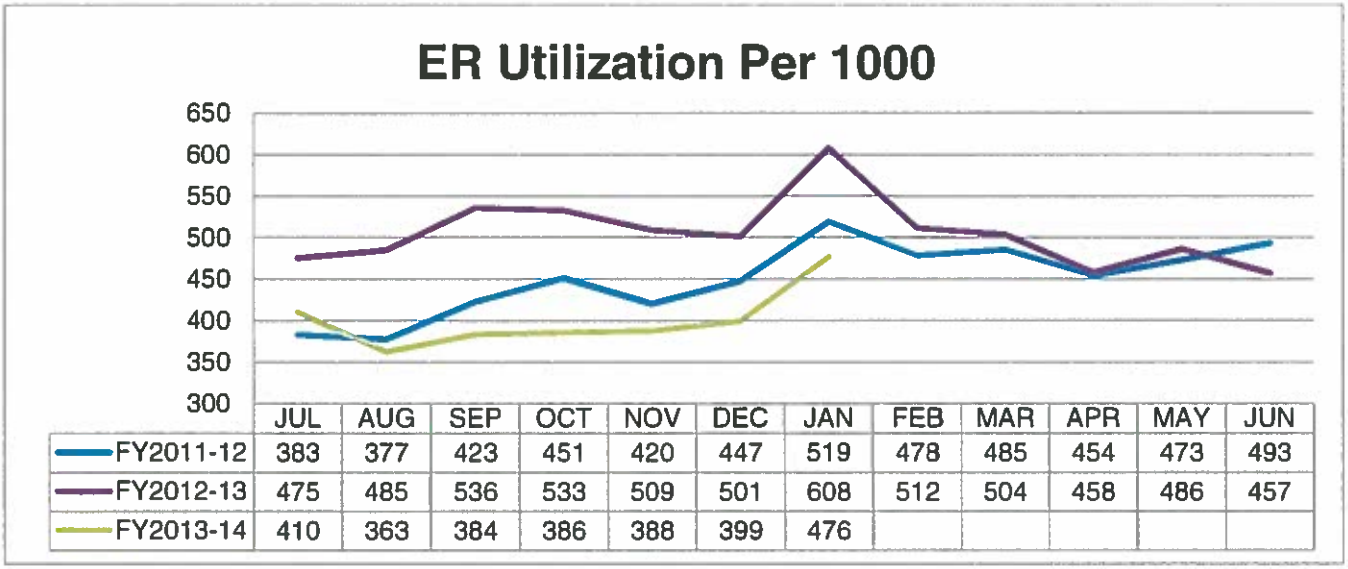
Readmission rate
The 30 day all cause readmission rate has plateaued for the last 3 quarters.



	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2014	Q1 2014
EBM Rate %	19.8%	14.3%	14.0%	15.9%	15.5%	14.8%	13.4%	11.1%	9.5%	9.9%	9.90%

ER Utilization

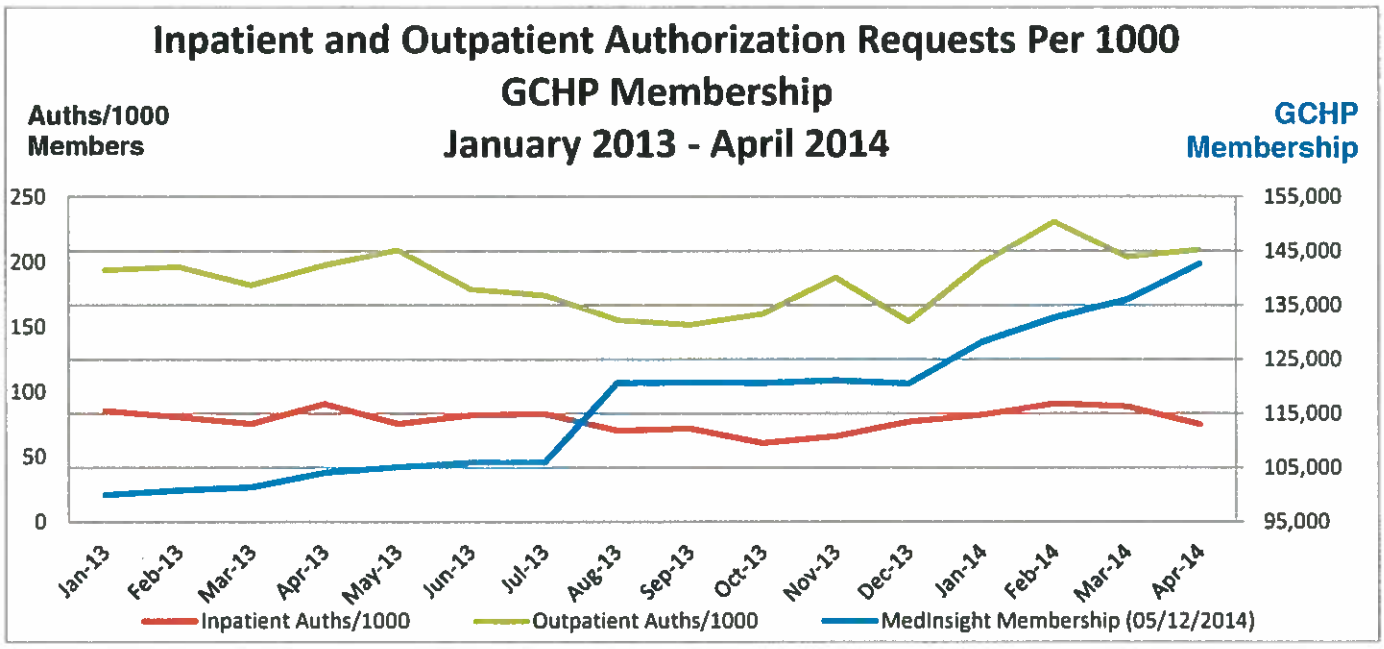
A seasonal winter spike of emergency room utilization is again demonstrated for January 2014. Health Educators and Care Managers continued to reach out to our highest utilizing members. Gold Coast Health Plan is putting a process in place to notify providers about high utilizers assigned to them.



	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	386	388	399	476					

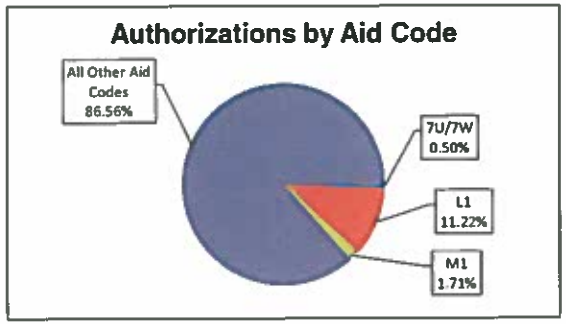
Authorization Requests

In the first quarter of 2014, requests for outpatient service increased by about 40% while membership grew by about 20%. Requests for inpatient service were relatively stable for the same time period. Among the Medi-Cal expansion members new to Gold Coast Health Plan since Jan 1, 2014, service requests for L1 members predominate.

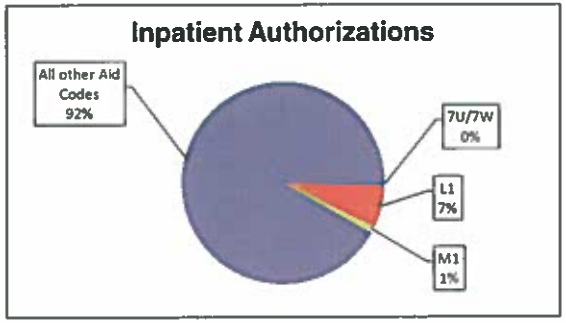


Gold Coast Health Plan℠
A Public Entity

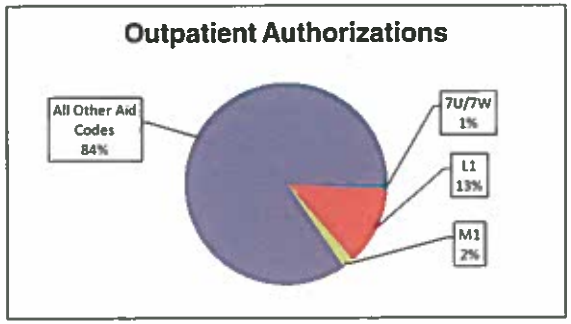
Gold Coast Health Plan Authorizations by Aid Code
January - March 2014



7U/7W	44
L1	982
M1	150
All Other Aid Codes	7,576
Total Authorizations	8,751



7U/7W	8
L1	176
M1	31
All other Aid Codes	2,358
Total Inpatient Auths	2,572

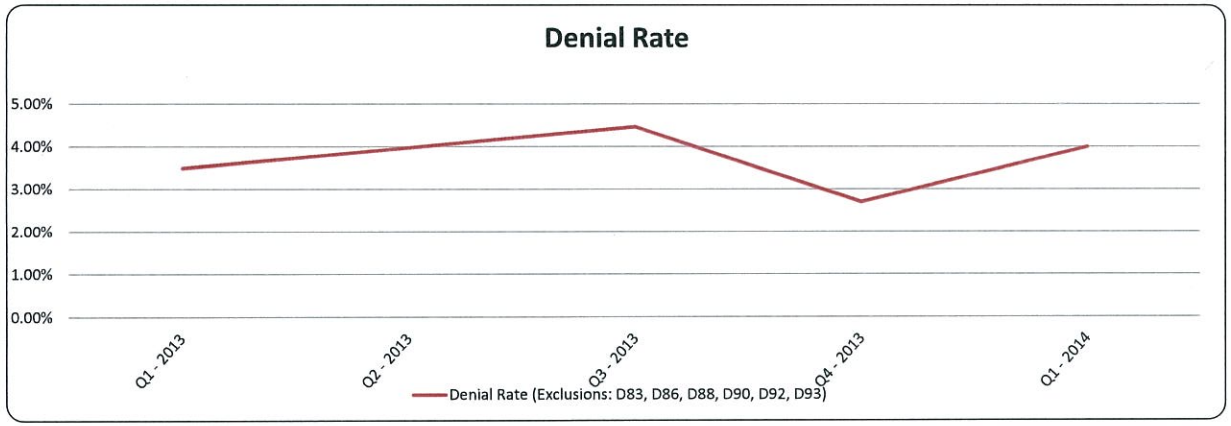


7U/7W	36
L1	806
M1	119
All Other Aid Codes	5,218
Total Outpatient Auths	6,179

Authorization Denial Rate

Calculation based on service level

Date Range	Denied Authorizations	All Authorizations	Denial Rate (Exclusions: D83, D86, D88, D90, D92, D93)
Q1 - 2013	502	14,369	3.49%
Q2 - 2013	568	14,299	3.97%
Q3 - 2013	597	13,393	4.46%
Q4 - 2013	365	13,535	2.70%
Q1 - 2014	631	15,792	4.00%



Excluding:	D83	Duplicate Request
	D86	Prior Authorization not Obtained (retro)
	D88	Member not Eligible
	D90	Rescinded Request
	D92	CCS Approved Case
	D93	Authorization not approved - Other Health Coverage

4c-5

Grievances and Appeals
The number of grievances is constant from Quarter 4 2013 to Quarter 1 2014. Appeals increased from Quarter 4 2013 to Quarter 1 2014 but the overall number remains low.

Grievances	Q4 2013	Q1 2014
Administrative	9	14
Clinical	19	16
Total	28	30
Grievances /1,000 member months	0.08	0.08

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

Report Card
The 2014 Gold Coast Health Plan Provider Report Card reflecting data for January through December 2013 has been distributed to Medical Directors and administrators of clinics systems and to independent providers.

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

Distribution of the report card was 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.

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Date: xx/xx/xxxx

To: XXX (Clinic System)/Administrator/MD

From: Nancy Wharfield, MD
Medical Director, Health Services
Gold Coast Health Plan

Re: Gold Coast Health Plan 2014 Provider Report Card

Attached please find the Gold Coast Health Plan (GCHP) 2014 Provider Report Card which reflects information collected for January through December 2013.

This is intended to be an informational tool which will enable providers to have an overview of care provided to our members.

Enclosed you will find the following:

1. Data Definitions – This includes a description of how each metric is defined in the report card.

2. Report Card – This summary page details each defined metric for each clinic. The metrics described are:

    - Members prescribed medication with diversion potential
    - ER Utilization
    - Members with >3 ER visits/quarter
    - Inpatient utilization
    - Assigned members never seen

3. Metric Details – This view provides a comparison of clinics within your system. Your results are also compared to results across data for all GCHP members. Bar graphs represent total number of members. Please cross reference the summary page for percentage of members.

4. How to Use Your Report Card – This section explains the importance of a measure, details contractual obligations, and suggests resources for improving your scores.

I will be contacting you shortly to set aside time to discuss the Report Card findings and how we can work together to improve care for our members. At that time, we can also discuss how we can provide information about individual members flagged in our metrics.

Thank you for taking the time to review the attached materials.

2220 East Gonzales Road, Suite 200, Oxnard, Ca 93036 | Member Services: 888-301-1228 Fax: 805-981-5314

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2014

PROVIDER REPORT CARD

DATA DEFINITIONS

Medinsight, GCHP's data warehouse, is the source of all data used for this report card.

Average number of assigned members/month
This is the average number of patients assigned to a clinic or PCP in a month for January through December 2013.

Members prescribed medication with diversion potential
In order to capture the most current information, data was pulled for the period of July through December 2013. Data was pulled for members using the drugs commonly associated with potential fraud, waste and abuse: opioids, antianxiety, stimulants, and sleep aids. Members were flagged and considered at risk for potential overutilization of medications when any one of the following parameters was met:

- Utilizing greater than 2 pharmacies in a 6 month period
- Utilizing greater than 2 prescribers in a 6 month period
- Utilizing greater than 6 long-acting opioids in a 6 month period
- Utilizing greater than 7 short-acting opioids in a 6 month period
- Utilizing the ER greater than 7 times in a 6 month period

Members receiving anti-neoplastic medications were excluded from this category.

ER utilization
This represents the number of ER visits for assigned members for January through December 2013.

Members with >3 ER visits/quarter
Members with >3 ER visits in any quarter January through December 2013 were flagged for this metric.

Inpatient utilization
This is a count of patients assigned to a clinic or PCP who had acute inpatient hospital admissions January through December 2013. Skilled nursing facility, acute inpatient rehabilitation, subacute, or long term care stays were excluded from this category.

Assigned members never seen
Members with 120 days of continuous eligibility and assignment to a clinic or provider without encounter data were included in this metric.

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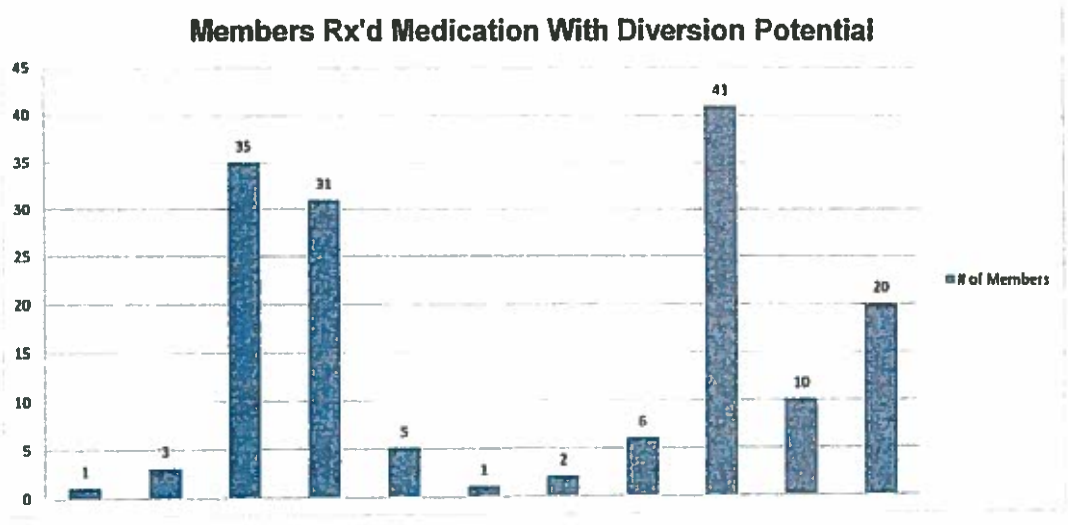
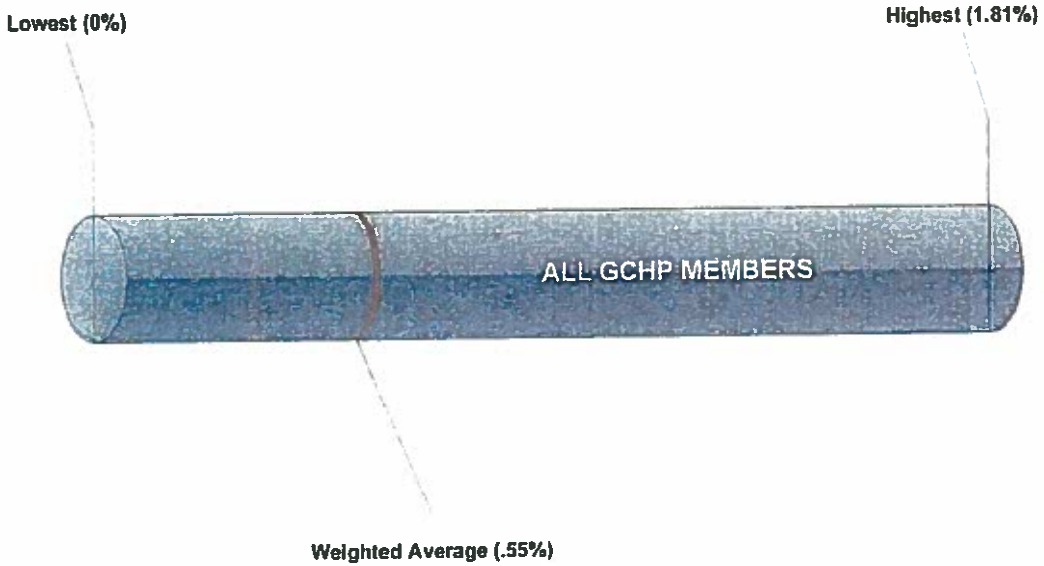
	Average Assigned Members Per Month	Members Rx'd Medication With Diversion Potential		Emergency Room Utilization		Members With ≥3 ER Visits Per Quarter		Inpatient Utilization		Assigned Members Never Seen	
		# of Members	% of Assigned Members	# of ER Visits	Visits/ Assigned Members	# of Members	% of Assigned Members	# of Inpatient Admissions	Admissions/ Assigned Members	# of Members	% of Assigned Members

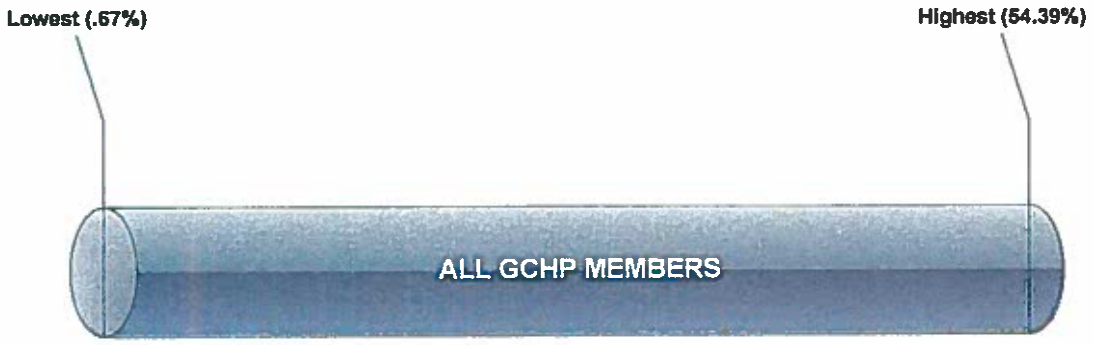

Members Rx'd Medication With Diversion Potential
45
40
35
30
25
20
15
10
5
0
1
3
35
31
5
1
2
6
41
10
20
# of Members


Lowest (0%)
Highest (1.81%)
ALL GCHP MEMBERS
Weighted Average (.55%)

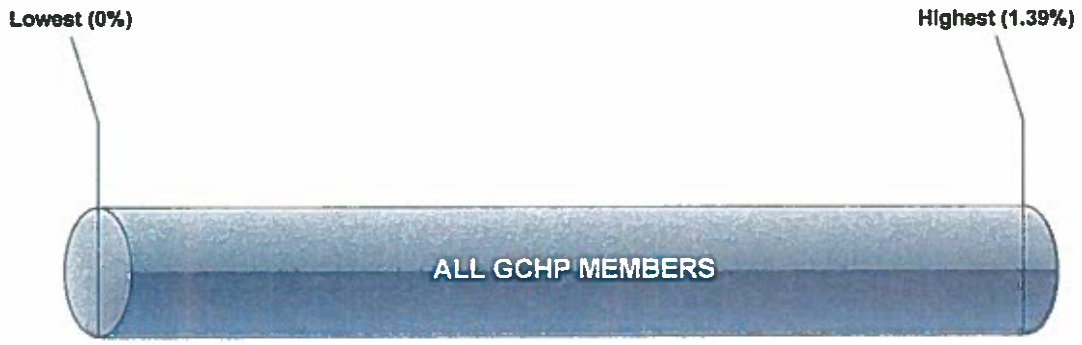
MEMBERS Rx'd MEDICATION WITH DIVERSION POTENTIAL

INPATIENT UTILIZATION

EMERGENCY ROOM UTILIZATION



MEMBERS WITH >3 ER VISITS



ASSIGNED MEMBERS NEVER SEEN

HOW TO USE YOUR REPORT CARD

Members prescribed medication with diversion potential Drug diversion is the use of prescription medications for unintended purposes, such as recreation, addiction, or financial gain. Primary care providers can help us prevent medication diversion with measures like medication agreements and prescription protection measures. Gold Coast Health Plan (GCHP) can help by providing you with the list of your members who have been flagged for highest risk of drug diversion. Helpful information about drug diversion is available at:

1. Recognizing and Preventing Medication Diversion http://www.aafp.org/fpm/2001/1000/p37.html

2. Partners in Integrity http://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/Provider-Education-Toolkits/Downloads/prescriber-role-drugdiversion.pdf

ER Utilization and Members with >3 ER visits/quarter

The introduction of managed care in Ventura County for the Medi-Cal beneficiaries has had a positive impact on this population's ER utilization. From a peak of 608 visits/1000 members in January of 2012, the ER utilization for GCHP members has fallen to below 400 visits/1000 members since August of 2013. By educating our members about the importance of a relationship with you, their primary care physician, and about what constitutes a true emergency, GCHP hopes to reduce the inappropriate use of the ER even further. GCHP has programs in place to address ER utilization. These programs include the Care Management program which helps coordinate care for our most fragile members, the Transition Care program for members who have had a recent acute hospital admission, and the Health Navigator program which reaches out to members with the highest utilization of the emergency room. To assist you in helping us with this effort, GCHP can provide you with a list of members in your practice who frequently utilize the emergency room.

Inpatient Utilization

Good care and appropriate follow-up with a member's primary care provider has been shown to optimize health status. While not all hospital stays can be prevented, frequent re-hospitalization can be reduced with immediate primary care follow-up at discharge. In an effort to assist you in reducing the readmission rate for your members, GCHP is putting in place a program to notify you by fax or mail when one of your patients is in the hospital. We are requesting your cooperation in scheduling an appointment with these members within 72 hours of discharge. The single most effective intervention in reducing readmission is the follow-up visit to the PCP within that 72 hour period. Review of the discharge plan, medication regimen, and assessment of the member's ability to remain in the outpatient setting is critical to maintaining health status and preventing readmission.

Assigned Members Never Seen

A member's strong relationship with their primary care provider leads to better health outcomes and lower utilization of resources. GCHP providers are contractually required to complete an Initial Health Assessment (IHA) for new members within 120 days of assignment. We have recently developed a system to make it easier to identify new members assigned to you. The list of newly assigned members will be emailed or faxed to you. We hope that this will assist you in quickly establishing a relationship with newly assigned members.

AGENDA ITEM 5a

To: Gold Coast Health Plan Commission

From: Michael Engelhard, CEO

Date: May 19, 2014

RE: GCHP Priorities & Initiatives for FY 2014-15 Budget Planning

To facilitate development of the FY 2014-15 budget, staff assembled potential key programs or initiatives that may be required or desired to be undertaken over the next three years. Staff evaluated multiple factors to determine what work may or will be required in 2014, 2015 and 2016, including:

1. State Medi-Cal program changes
2. Federal health care reform
3. Corrective Action Plan fixes requiring ongoing work
4. Quality improvement plans and disease management programs
5. Expanded infrastructure and process improvement
6. Increased caseload from higher enrollment and acuity
7. Increased compliance and oversight to address greater regulatory examinations

A chart showing this high-level three-year outlook is shown as Attachment A. This outlook was developed based on currently available information. If state or federal requirements change, staff will respond to the changing regulatory environment and re-prioritize projects and initiatives as needed.

Based on the three-year outlook, staff identified a list of budget priorities for FY 2014-15. This is shown as Attachment B.

The projects are a mix of regulatory and contractual requirements, as well as operational and technology initiatives targeted to improve quality for the Plan's members, and further improve business processes and operational efficiencies.

The list also includes an evaluation of the Plan's two largest contracts – Scriptcare, GCHP's Pharmacy Benefits Manager (PBM), and Xerox / ACS, the Plan's Administrative Services Organization (ASO). Both of these contracts have termination dates of June 30, 2016. From a risk perspective, staff determined it was not practical to put both contracts out for bid via an RFP process and potentially have simultaneous conversions occur should both incumbents not be awarded a new contract via the RFP process. Therefore, it is staff's intention to recommend the extension of one of these two major contracts and to

develop an RFP for the other. There is not a recommendation at this time on either contract.

FY 2014-15 PROPOSED PROJECTS AND BUDGET PRIORITIES:

- **ICD-10 Readiness:** Transition all systems and providers from ICD-9 to ICD-10 by the revised Center for Medicaid and Medicare Services (CMS) mandated date of October 15, 2015.

- **Disease Management (DM) Program:** Contractually required. Introduce formal DM program to better manage health outcomes for targeted member population. The initial DM program will focus on diabetes and will benefit roughly 10,000 members and help build a model for other diseases (CHF, COPD, and Prenatal).

- **Member Satisfaction:** Gauge and measure member satisfaction with GCHP, as requested by the Commission.

- **Grievance & Appeals Optimization:** Enhance grievance and appeals processes to ensure sustained regulatory and contractual compliance.

- **Xerox / ACS Service Organization Control (SOC) Audit:** Recommended by Plan financial auditor.

- **Encounter Data Improvement Project (EDIP):** Contractual requirement for State EDIP initiative. The State requires managed care plans to submit complete, accurate, timely and reasonable encounter data in a HIPAA compliant file format.

- **Delegation & Oversight Framework:** Institute standard delegation and oversight requirements, policies, and procedures for establishing provider contracts.

- **Business Continuity Planning:** Contractual requirement to draft plan for critical business process resumption in event of emergency.

- **Disaster Recovery Planning:** Contractual requirement to draft plan for data and system recovery in event of emergency for business critical functions.

- **Crossover Claims:** Further optimizes claims processing accuracy and efficiencies to appropriately handle claims where a portion is covered by Medicare.

- **Operationalize Information Security Program** – Required to ensure ongoing HIPAA (Health Insurance Portability and Accountability Act-1996) and HITECH

(Health Information Technology for Economic and Clinical Health Act-2009) compliance.

- **Social Media Policy & Roadmap:** Establish a communication strategy via social media platforms to members, providers and the general community.

- **ACA Core Administrative Simplification Rules (CORE):** Regulatory requirement to utilize standard electronic transaction sets as defined under the Affordable Care Act.

- **HR Flexible Work Program:** Implement initiatives to attract and retain staff. Under consideration are a telework strategy, employee recognition, and flexible work schedules

- **ASO or PBM RFP:** Vendor evaluation and RFP for Xerox / ACS (ASO) *or* Scriptcare (PBM). Both contracts expire in June 2016.

- **MedHOK ACG-Risk Stratification:** Implement MedHOK ACG module for member risk stratification. (Included in MedHOK MMS Implementation budget).

- **Provider Contracts & Capitation Rebasing Evaluation:** Evaluation of provider capitation rates and / or other reimbursement mechanisms.

- **MedHOK Provider Portal:** Implement MedHOK provider portal to streamline provider online experience for eligibility and claim inquiries, and authorization requests. Supports Plan "valued and trusted partner" strategy.

- **Provider Credentialing System (PCS) RFP & Implementation:** Selection and procurement of provider data and credentialing management software.

GCHP intends to hold a strategic planning session with the Commission later this calendar year to gain insight and concurrence on the Plan's overall three or five year strategy.

(Health Information Technology for Economic and Clinical Health Act-2009) compliance.

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ATTACHMENT A: GCHP 3-Year Outlook (DRAFT)

Optional/Uncertain

2014/2015	2015/2016	2016 and beyond
Yr. 1	Yr. 2	Yr. 3 and beyond

Programs

BHP/Bridge
CCS
CCI
- MLTSS
- Duals
NCQA
Knox Keene – Required for Bridge

- CCS into Managed Care (1115 Waiver)
- CCI - MLTSS
- CCI - Duals
- NCQA Certification
- BHP/Bridge Plan (CY2015 – Not Likely; CY2016 – Recommended)
- Knox Keene License

QI & Care Management

- HEDIS/Quality Improvement Programs/NCQA Processes
- Population Management Strategy
- Network Contracting Strategy
- 24-hr Nurse Hotline - Evaluation
- HIT Strategy – Telehealth/eConsult

Infrastructure

HR Strategy
- "Best Place to Work" Strategy

Major Contract Review
- ASO (Xerox/ACS) – Expires 6/2016
- PBM (Scriptcare) – Expires 6/2016

Compliance
- Delegation Oversight Strategy
- Privacy/Information Security Strategy

Operations
- "Valued and Trusted Partner" (Easy to do business with) Strategy

Community Involvement
- Collaboration and Community Organization Integration Strategy

Data Analytics & Finance

- Encounter Data Improvement
- Data Governance Strategy
- BI Tool Evaluation
- Data Warehouse Optimization
- TNE Strategy

Technology

eBusiness
- Provider Portal Strategy
- Member Portal Strategy
- Vendor ePayment

Systems and Tools
- Ancillary Systems Evaluation
- Mobile and Collaboration Strategy

Infrastructure
- Data Center Strategy

Community Based IT Strategy
- HIE (Health Information Exchange)

Attachment A Glossary:

Basic Health Plan (BHP): BHP is an optional program created by the federal Affordable Care Act (ACA). Through BHP states can offer health coverage to individuals transitioning out of Medicaid. BHP covers individuals with annual incomes between 133 and 200 percent of the Federal Poverty Level (FPL). Benefits under BHP include the ten essential health benefits mandated by the ACA. The ten essential benefits include:

Outpatient care, emergency room visits, mental health and substance use disorder services, prescription drugs, durable medical equipment needed for recovery, lab tests, pre and postnatal care, as well as pediatric services.

Bridge Plan: Due to a delay in BHP final rules being issued, California created the Bridge Plan for individuals transitioning out of Medi-Cal with annual incomes between 139 and 250 percent of the FPL. The Bridge Plan includes the ten essential health benefits covered under BHP. In order for health plans to participate in this program they must be a Qualified Health Plan.

Under the Affordable Care Act, a Qualified Health Plan is an insurance plan that is certified by the Health Insurance Marketplace, provides essential health benefits, follows established limits on cost-sharing (like deductibles, copayments, and out-of-pocket maximum amounts), and meets other requirements. A qualified health plan will have a certification by each Marketplace in which it is sold.

California Children Services (CCS): Provides diagnostic and treatment services, medical case management, and physical and occupational therapy services to children under age 21 with CCS-eligible medical conditions.

Coordinated Care Initiative (CCI): This initiative is comprised of two programs, Cal MediConnect and Managed Long-Term Services and Supports (MLTSS). Under CCI these two programs will be streamlined and administered by a designated Medi-Cal Managed Care Plan (MCP).

Dual Beneficiaries are eligible for both Medicare and Medi-Cal**.** Under Cal MediConnect, dual beneficiaries' Medi-Cal benefits are required to be managed by an MCP. However, dual beneficiaries can choose to keep and use their Medicare benefits on a fee-for-service (FFS).

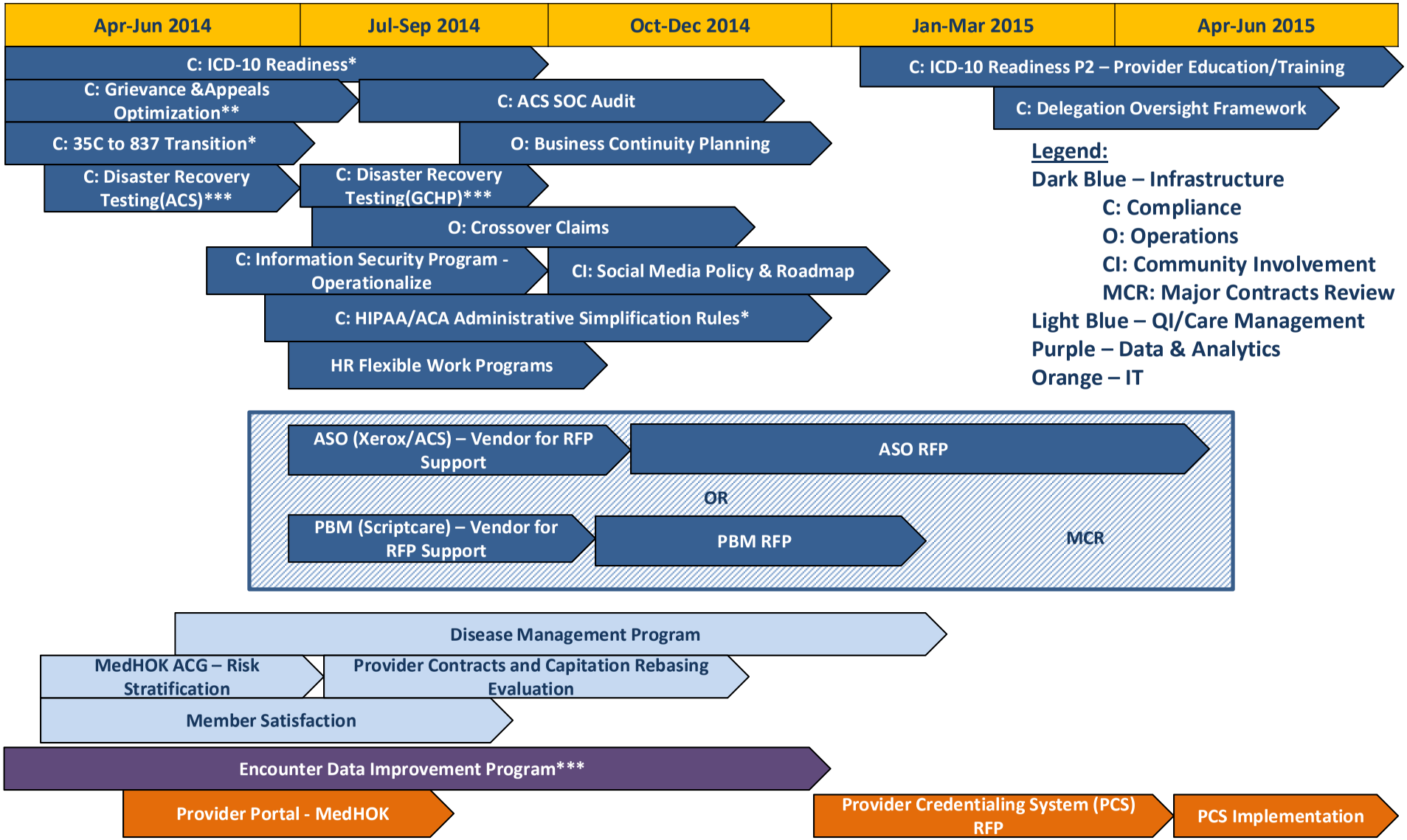
Managed Long-Term Services and Supports (MLTSS): Refers to the delivery of long term services and supports through capitated Medicaid managed care programs. Increasing numbers of States are using MLTSS as a strategy for expanding home- and community-based services, promoting community inclusion, ensuring quality and increasing efficiency. Includes home- and community-based services such as In-Home Supportive Services (IHSS), Community-Based Adult Services (CBAS), and the Multipurpose Senior Services Program (MSSP).

National Committee for Quality Assurance (NCQA): An independent, not-for-profit organization dedicated to assessing and reporting on the quality of managed care plans. The NCQA provides Health Plan Accreditation which identifies Qualified Health Plans eligible to participate in state health insurance exchange marketplaces.

Knox Keene License – required for Bridge Plan Program Participation. A Knox Keene License is granted by the California Department of Managed Health Care to regulate health care service plans. This license ensures that these organizations meet certain minimum standards and gives plans authorization to conduct business in California.

ATTACHMENT B: GCHP FY2014/2015 Proposed Projects

* Regulatory Requirement
** CAP Requirement
*** Contract Requirement



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Draft Fiscal Year 2014-15 Budget

Commission Meeting
Michelle Raleigh, CFO
May 19, 2014

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Table of Contents

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Introduction

Gold Coast Health Plan's (GCHP) FY2013-14 (7/1/14-6/30/15) draft budget is summarized in this document and reflects the following major assumptions:

- Membership Growth & Mix Changes – impacts all areas of the budget including revenue and health care costs
- Health Care Cost Changes – reflective of recent Plan experience with estimates of known State policy changes and new Hepatitis C drug
- Projects Needs – incorporates Plan-wide proposal of projects to focus on during the next fiscal year
- Ongoing compliance - includes ongoing Plan support of 2012/2013 Corrective Action Plans (CAPs) and Medical Loss Ratio Evaluation (MLRE)

Introduction

Pending items potentially impacting FY2014-15 Budget:

- Final State capitation rates, including updates to Adult Expansion rates
- State's FY2014-15 May revise and final budget (e.g., statewide formulary?)
- Ongoing Plan analyses of budget assumptions

Updates

Changes Since the May 7, 2014 Executive / Finance Meeting:

- Membership and revenue updated and reflective of change in category definitions
- Administrative expenses updated based on ongoing Plan analysis of departmental budgets
- Additional budget components are provided (e.g., health care costs and tangible net equity (TNE))

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Highlights

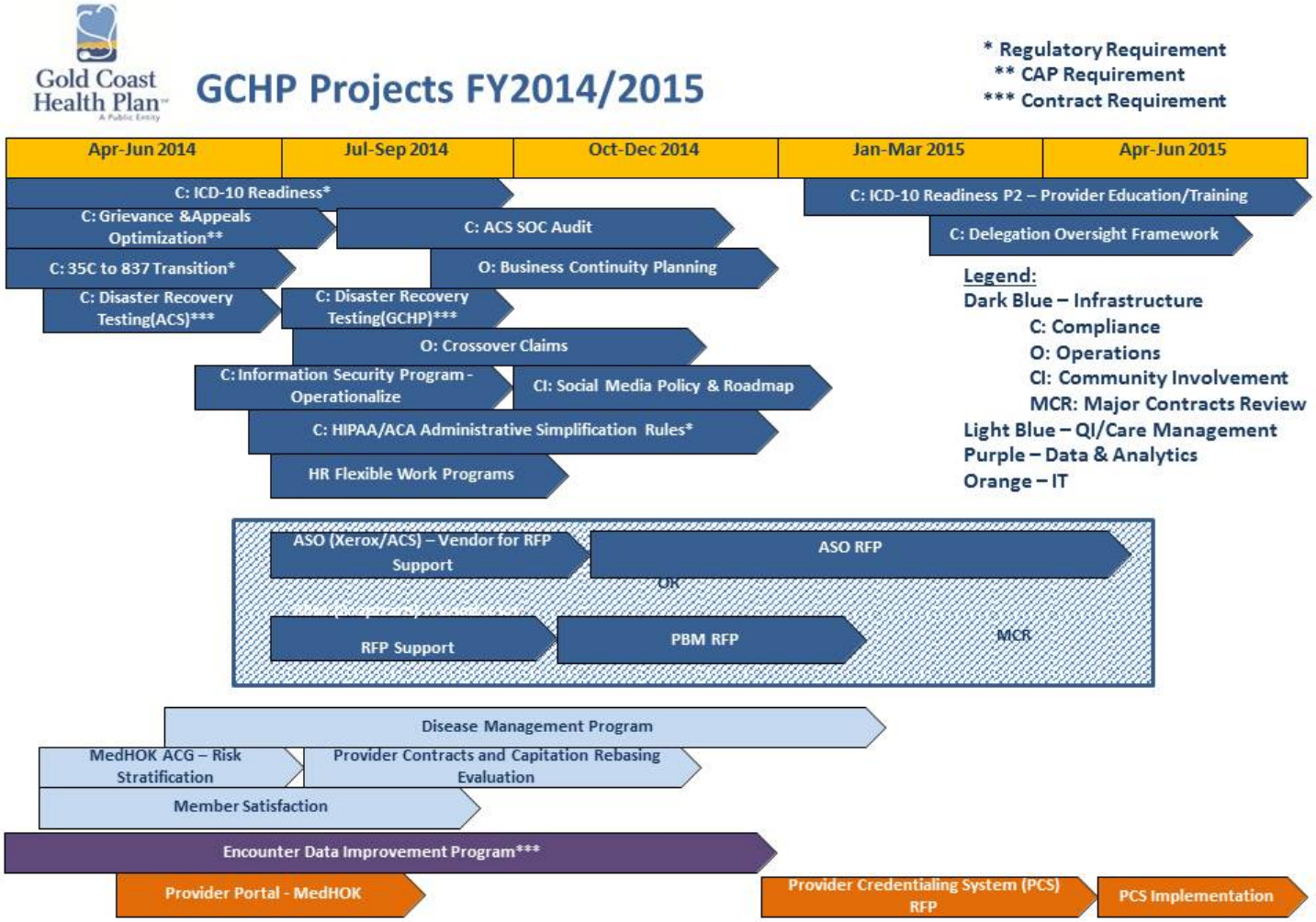
- 2 year growth: average monthly enrollment up 50% ; revenue up 78%
- Staffing, support and compliance costs increasing along with caseload growth and mix changes

	FY 2012-13	Projected FY 2013-14 *	Budget FY 2014-15
	(Amounts are stated in thousands, except Enrollment and %)		
Average Monthly Enrollment	101,991	129,064	152,487
Premium Revenue	$ 315,120	$ 408,163	$ 560,232
Health Care Costs	$ 280,383	$ 362,792	$ 514,015
Administrative Expense	$ 24,014	$ 26,293	$ 33,698
Net Income	**$ 10,723**	**$ 19,078**	**$ 12,519**
MCR	89.0%	88.9%	91.8%
ACR	7.6%	6.4%	6.0%
Administrative Expense - PMPM	$ 19.62	$ 16.98	$ 18.42
TNE**	$ 11,891	$ 30,969	$ 43,487

** Reflects actual experience through 3/31/14 and estimates from 4/1/14 to 6/30/14*

*** TNE includes $7.2M in lines of credit*

Projects



GCHP staff has identified the following projects to focus on for FY2014-15 (as discussed in today's agenda)

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Membership

- Average monthly membership is expected to grow by over 18% from the current fiscal year
  - New Adult Expansion populations (e.g., LIHP, Medi-Cal Expansion, CalFresh adults) driving growth
- Note:
  - Adult/Family membership growing likely due to increased outreach/ media attention on health insurance/exchange
  - Dual/SPD membership growing likely due to aging population
  - State changed aid category definition of "Dual", resulting in shift of members from "Dual" to "SPD", change reflected in results as of 4/1/14
  - TLIC full transition occurred on 8/1/2013, will be combined with children within Adult/Family category, pending additional information from State
  - AE membership began 1/1/14 with LIHP transition and other Medi-Cal Expansion members, including CalFresh adults. Plan estimates to have 21,600 AE members on 7/1/14 and grow to 24,614 members by 6/30/15

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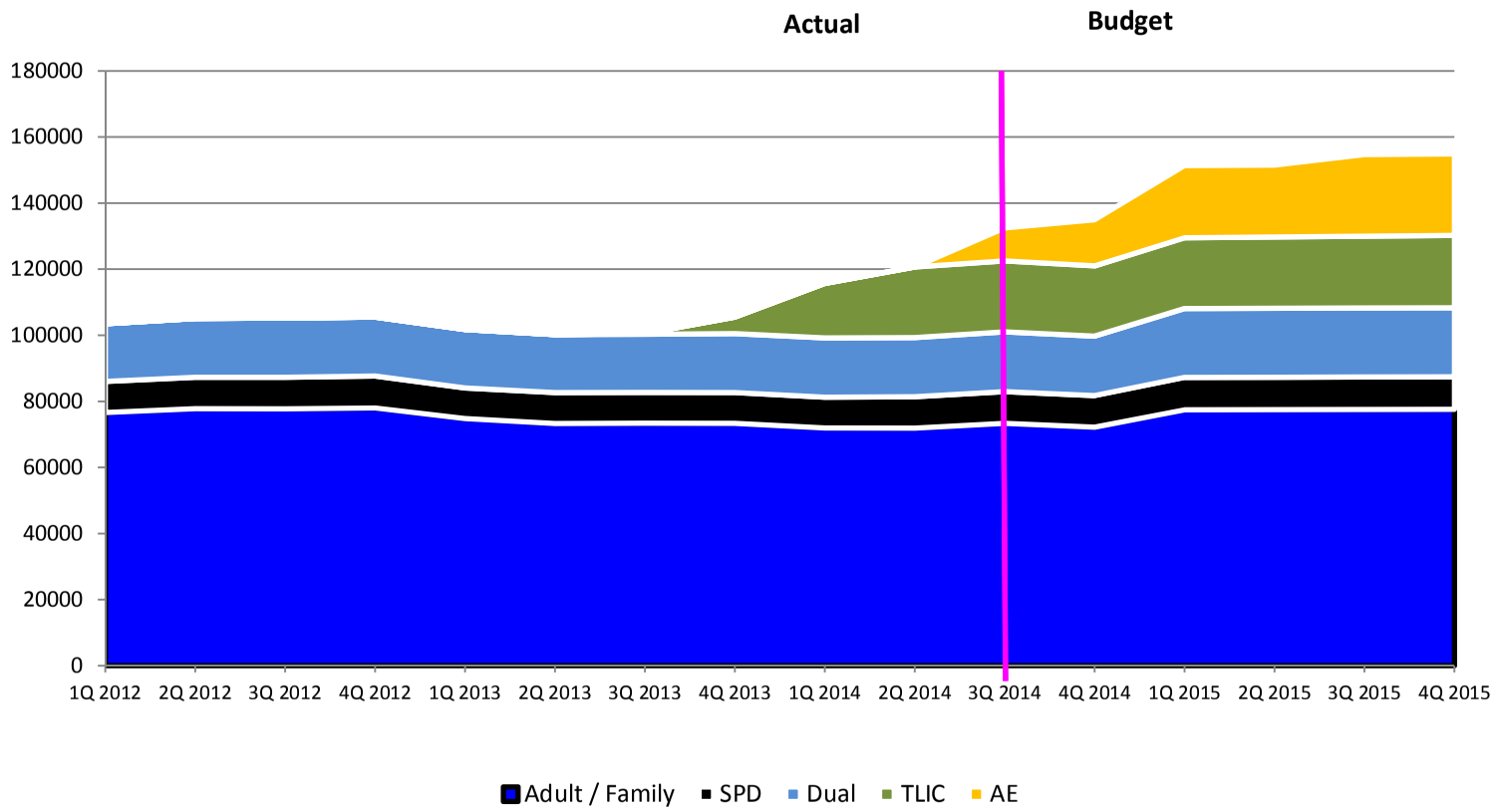
Membership

Aid Category - Members *	FY 2012-13	Projected FY 2013-14	Budget FY 2014-15	June 2015
	(Stated in Averaged Member Months)			Membership
Adult/Family	73,714	73,639	77,478	77,584
Dual	17,672	18,096	19,046	19,072
SPD	9,302	9,801	10,961	10,976
Traditional Medi-Cal	100,689	101,535	107,484	107,632
Annual Percentage Growth - Traditional Medi-Cal		*0.8%*	*5.9%*	
TLIC (Healthy Families)	1,303	20,187	21,750	22,049
Adult Expansion (AE)	-	7,341	23,254	24,614
Total Average Membership	101,991	129,064	152,487	154,295
Annual Percentage Growth - Entire Population		*26.5%*	*18.1%*	

* Member categories have been grouped to include as follows: Senior and persons with disabilities (SPD) includes Aged-Medi-Cal, Disabled-Medi-Cal, Long-term Care-Medi-Cal, and Breast and Cervical Cancer Treatment Plan (BCCTP). Dual (includes Aged-Dual, Disabled-Dual, and Long-term Care-Dual). Other member categories include: Targeted Low Income Children (TLIC), and Adult Expansion (AE). State definition of dual changed (from being defined as having any part of Medicare coverage to being defined as having all three parts of Medicare coverage) and is reflected on 4/1/14 in these results.

Members by Aid Category By Fiscal Year Quarter



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Revenue

- Draft FY2014-15 Revenue Assumptions:
  - Most recent State capitation rates approved by Commission are assumed to stay constant throughout FY2014-15 (actual rates not known until after start of fiscal year),
    - CBAS - expect further updates to reflect full implementation
    - Mental health – incremental increases included
  - Adult Expansion rates will be recalculated during the next fiscal year – timing, process, and methodology pending from the State
  - As in prior financials, the following items were not included in the budget because the funds are passed through to other entities:
    - Sales Tax (SB78)
    - Hospital Quality Assurance Fee (HQAF)
    - AB85 provider payments
  - Pending or unknown items:
    - ACA 1202 Payments & Reconciliation
    - FY2012-13 IGT
    - Adult Expansion rate recalculation

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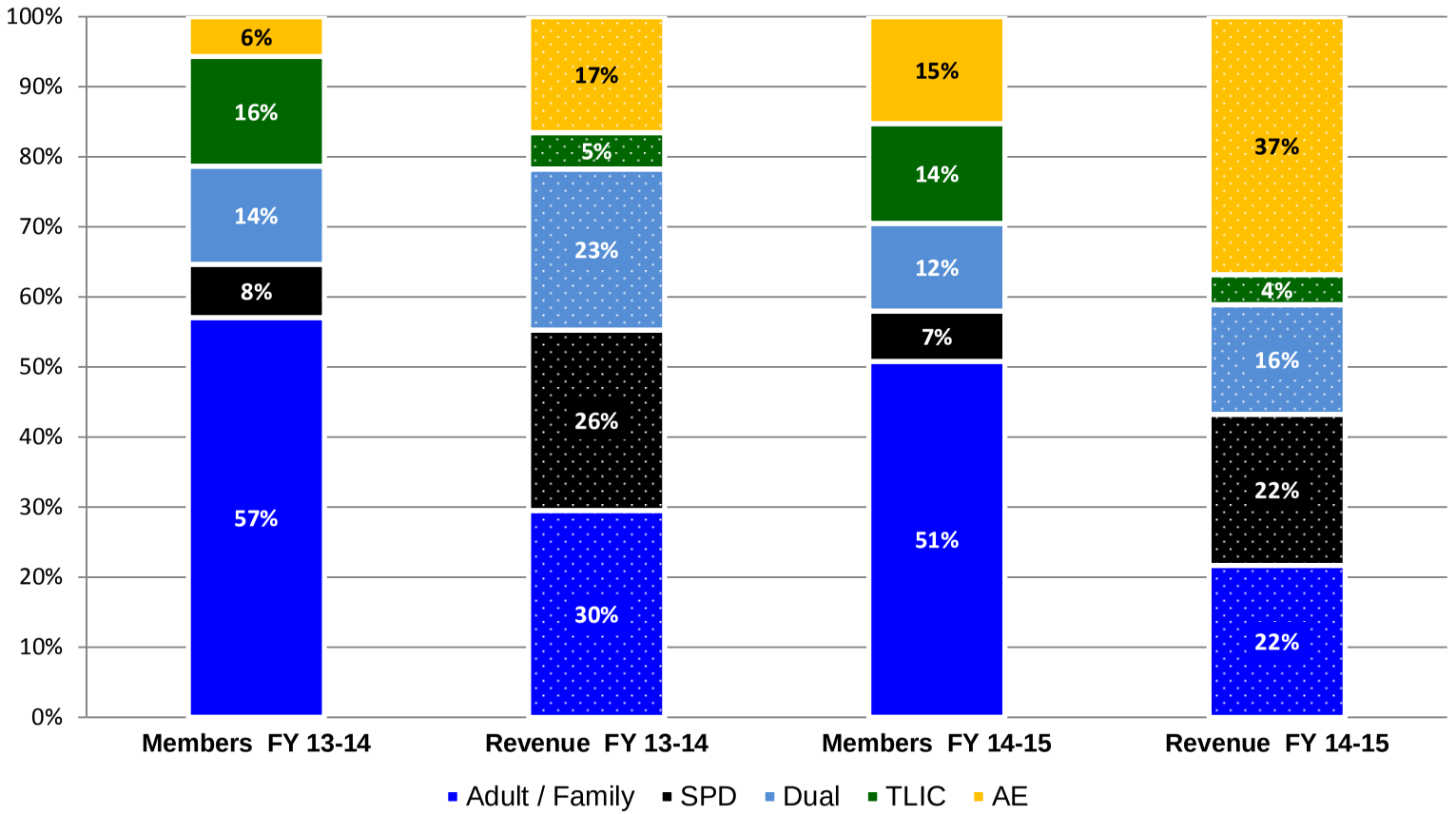
Membership Mix and Revenue Impact

Revenue Mix Being Driven by Adult Expansion Population



Health Care Costs

- Initial FY2014-15 Health Care Cost assumptions include the following:
  - Base experience - 12 months of historical experience utilized by major category of service
  - Provider contracting changes – Adult Expansion PCP and Specialty capitation rates being implemented 6/1/2014
  - Mandatory Long-Term Care rate changes - Estimated 3% AB1629 facility provider rate increases reflected as of 8/1/2014 as per State budget
  - Mental Health costs – increased according to State rate assumptions
  - Pharmacy costs - reflected expected adjustments based on audits and assumed utilization of new Hepatitis C drug (Sovaldi)
    - Estimated cost to be $4.5 million
    - Adjusted for carved-out benefit (e.g., blood factor drugs) of approximately $900,000
  - TLIC population – continue to estimate costs from State rates, pending impact of Milliman analysis
  - Adult Expansion population – continue to estimate costs from State rate worksheets – due to insufficient claims data to date
  - Care management staffing discussed on page 19

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Health Care Costs

- Items pending further information/analyses:
  - Potential savings from projects (e.g., cross-over claims) and increases from projects (e.g., provider reimbursement strategy)
  - Health care cost trends
  - Net reinsurance costs pending new reinsurance market search information
  - Overall allocation of dollars between medical and administrative pending results of State's MLRE

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Health Care Costs

- Health care costs expected to grow by 42% from current fiscal year
- Adult Expansion population driving 96% of total health care cost increase

	FY 2012-13	Projected FY 2013-14	Budget FY 2014-15
		(in thousands)	
Capitation *	$ 11,159	$ 21,355	$ 30,539
Claims:			
Inpatient	$ 134,986	$ 160,696	$ 209,909
Outpatient	$ 39,489	$ 53,003	$ 73,832
Professional/Mental Health	$ 28,642	$ 34,777	$ 41,198
Pharmacy	$ 41,118	$ 57,131	$ 100,177
Other * *	$ 17,430	$ 26,018	$ 45,744
Care Management	$ 7,557	$ 9,811	$ 12,617
	269,224	341,437	483,476
Total	**$ 280,383**	**$ 362,792**	**$ 514,015**

Total Health Care Costs in PMPM	FY 2011-12	Projected FY 2012-13	Budget FY 2013-14
	$ 230.82	$ 234.25	$ 279.38

* Includes PCP, Specialty, Non-emergency transportation, and Vision

** Other claims include all other fee-for-service expenses, reinsurance and transportation expenses

Administrative Expenses

- Departments produced initial budgets and staffing requests – currently being reviewed by Plan Leadership
- Plan needs to fund:
  - Growing membership with change in member mix
  - Achieving and maintaining ongoing CAP requirements
  - Increased regulatory and compliance needs
  - Projects needs
  - Building of infrastructure
- Initial estimate of Administrative Cost Ratio (administrative expense as a percentage of revenue) range from 6.0% to 6.5%
- MLRE being performed by State may impact how expenses are classified
- ACS fees increase due to increased enrollment but partially offset by lower per member fee

Administrative Expenses Crosswalk

FY 2013-14 Administrative Expense Budget		$ 26,293,000	
FY 2014-15 Administrative Expense Budget		33,698,000	
Increase in Administrative Expense Budget Request		$ 7,405,000	100%
Growth-based and Required Expenses:			
ACS		$ 1,965,000	
Beacon Health		700,000	
Facilities expenses associated with a larger office		342,000	
Projects:			
Info Security Program for HIPAA compliance	$ 150,000		
ICD-10	258,000		
	$ 408,000	408,000	
		$ 3,415,000	46%
Other Administrative Expenses:			
Personnel expenses		$ 4,168,000	
Professional services		(758,000)	
Operating expenses		580,000	
		$ 3,990,000	54%

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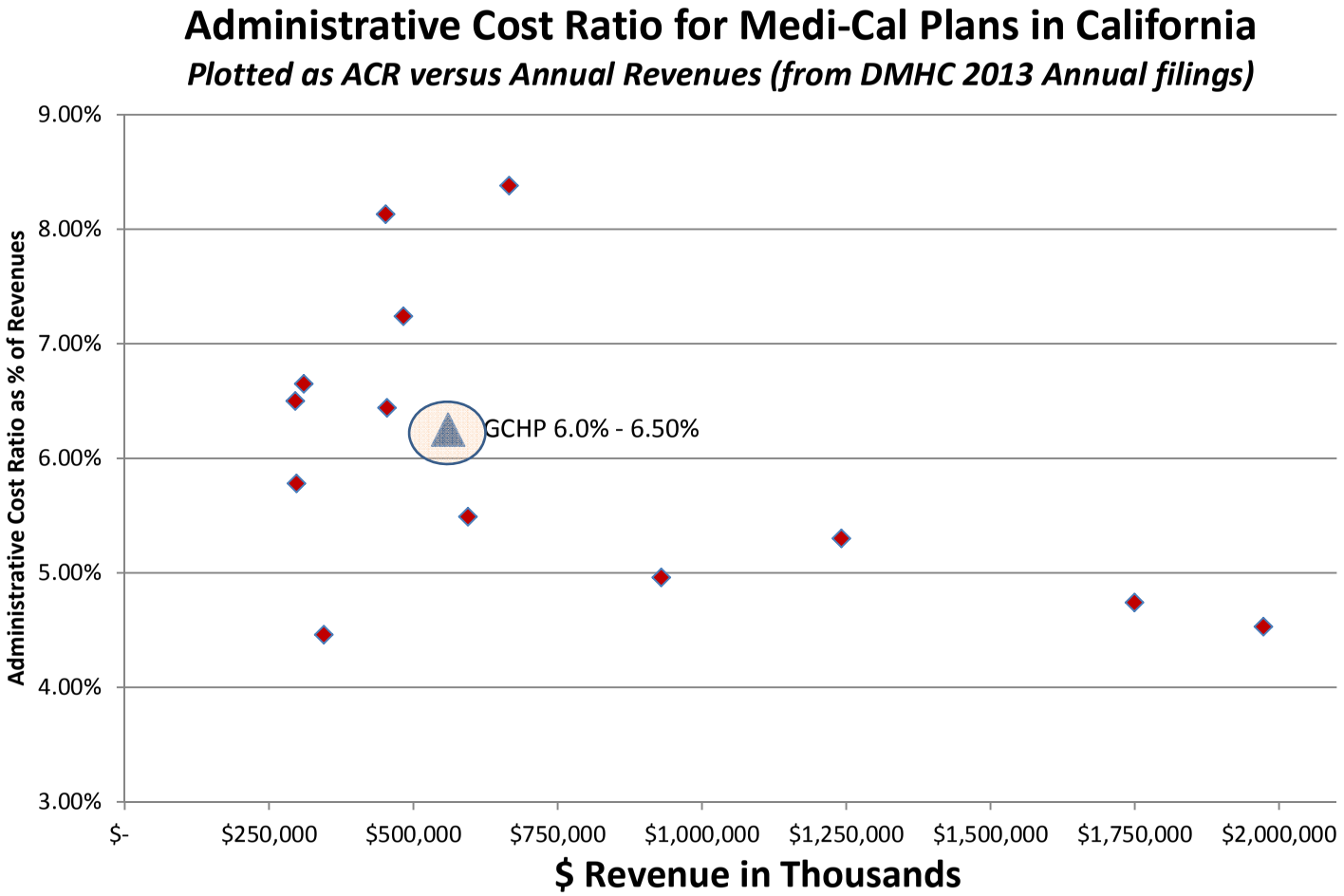
Administrative Expenses

GCHP estimated administrative cost ratio (ACR) is in line with other plans of GCHP size



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Staffing

- Staffing needs increase due to growth in membership and mix changes, ongoing compliance/regulatory/CAP needs, and building of infrastructure

	6/30/14 Estimated FTE	6/30/15 Estimated FTE
Medical *	52	57
Non-Medical	88	113
Total	140	170

- Health plan benchmarks range from 7,500 - 13,300 members served per employee (GCHP estimated at 14,900 members served per employee)
- Salaries consistent with pay grades/ranges approved by the Commission
- Merit increases and employee appreciation and recognition programs included

* Categorized financially as part of medical costs, not administrative costs.

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Vendor Contracts

Vendors contracts expected to be over $100K annually:

Vendor	Services Provided	Projected FY 2013-14	Budget FY 2014-15
ACS	Health care administrative services	$ 12,731,000	$ 13,787,000
Scriptcare Ltd. *	Pharmacy benefits management	$ 3,397,000	$ 4,677,000
Insurance Vendors	Business insurance (not including reinsurance)	$ 179,000	$ 253,000
Lease Expense	Office space	$ 757,000	$ 772,000
Beacon Health Strategies, LLC	Outsourced mental health benefit management	$ 306,000	$ 1,006,000
CIO Solutions	IT network management services	$ 334,000	$ 107,000
Coffey Communications Inc.	Website content	$ 112,000	$ 95,000
Crossroads Staffing Services	Temporary labor provider and personnel recruiter	$ 235,000	$ 139,500
MCG Health, LLC *	Milliman Guidelines license fee	$ 178,000	$ 260,000
Milliman	MedInsight license fee	$ 134,000	$ 134,000
MedHok Healthcare Solutions *	Annual license fee	$ 975,000	$ 667,000
Optimity Consulting	ICD-10 implementation support	$ 192,000	$ 258,000
Quantix Consulting	Temporary staff support	$ 130,000	$ -
Verisk Health Solutions, Inc.	HEDIS support	$ 96,000	$ 100,000

*Vendor noted by * reflect services that are classified as medical expenses*

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Consulting Contracts

Major consulting contracts estimated to be over $100K annually:

Consultant	Duties	Projected FY 2013-14	Budget FY 2014-15
State Monitor *(BRG)*	Performs on-going state monitoring duties	$ 887,000	$ 25,000
Actuarial Consultants *(Milliman)*	Performs assistance related to claims reserving, state rate development, data requests, provider capitation and risk analysis	$ 164,000	$ 198,000
Financial Auditor *(McGladrey & Pullen LLP)*	Performs financial audit required by the State and answers ongoing questions related to financial statement development	$ 105,000	$ 130,000
Legal Services *(Anderson Kill, Kennaday, Leavitt & Daponde PC, Wilke Fleury Hoffelt Gould & Birney, LLP)*	Performs support for Commission and Committee meetings, employees issues, contracts review, and litigation support	$ 572,000	$ 400,000

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Plan Memberships

Organization	Projected FY 2013-14	Budget FY 2014-15
California Association of Health Plans (CAHP)	$ 7,000	$ 7,000
Association of Community Affiliated Plans (ACAP)	$ 33,200	$ 45,000
California Association of Health Insuring Organizations (CAHIO)	$ 14,000	$ 34,000
Local Health Plans of California (LHPC)	$ 70,000	$ 70,000

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Capital Budget

Initial estimates of new capital expenditures for FY 2014-15 budget are:

Item	Estimated Amount to be Capitalized
IT hardware (servers) for business expansion	$135,000
Data warehouse, storage and security	$170,000
Provider Credentialing System	$235,000
Medical Management System – Provider Portal enhancement	$105,000
Intranet	$25,000
Office furniture and configuration to accommodate personnel additions	$100,000
Total	**$770,000**

- Capital assets, including office furniture and fixtures, computer equipment, software and leasehold improvements, whose acquisition costs exceed $1,500 are accounted for in the capital budget. Purchases less than $1,500 are included in the administration budget.
- The capital budget assumes our current locations are adequate to absorb staff expansion.

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Tangible Net Equity

As of 6/30/15,

- the Plan is projected to be at a TNE of $43.5 million, which exceeds the TNE requirement of $25.3 million (171.6% of requirement)
- the TNE requirement is fully phased-in at 100%, since 6/30/14
- the required TNE is higher due to the growth and mix of membership
- the TNE includes $7.2 million related to two lines of credit with the County of Ventura

	Projected FY 2013-14	Budget FY 2014-15
	($ amounts stated in thousands)	
Required TNE (100%)	$ 19,657	$ 25,339
GCHP TNE *	**$ 30,969**	**$ 43,487**
TNE Excess	$ 11,311	$ 18,148
GCHP TNE as a % of Required TNE	157.5%	171.6%

** Above amount includes $7.2M in lines of credit.*

Excluding the $7.2 million lines of credit from TNE, GCHP TNE would be:

GCHP TNE (without lines of credit)	**$ 23,769**	**$ 36,287**
GCHP TNE as a % of Required TNE	120.9%	143.2%

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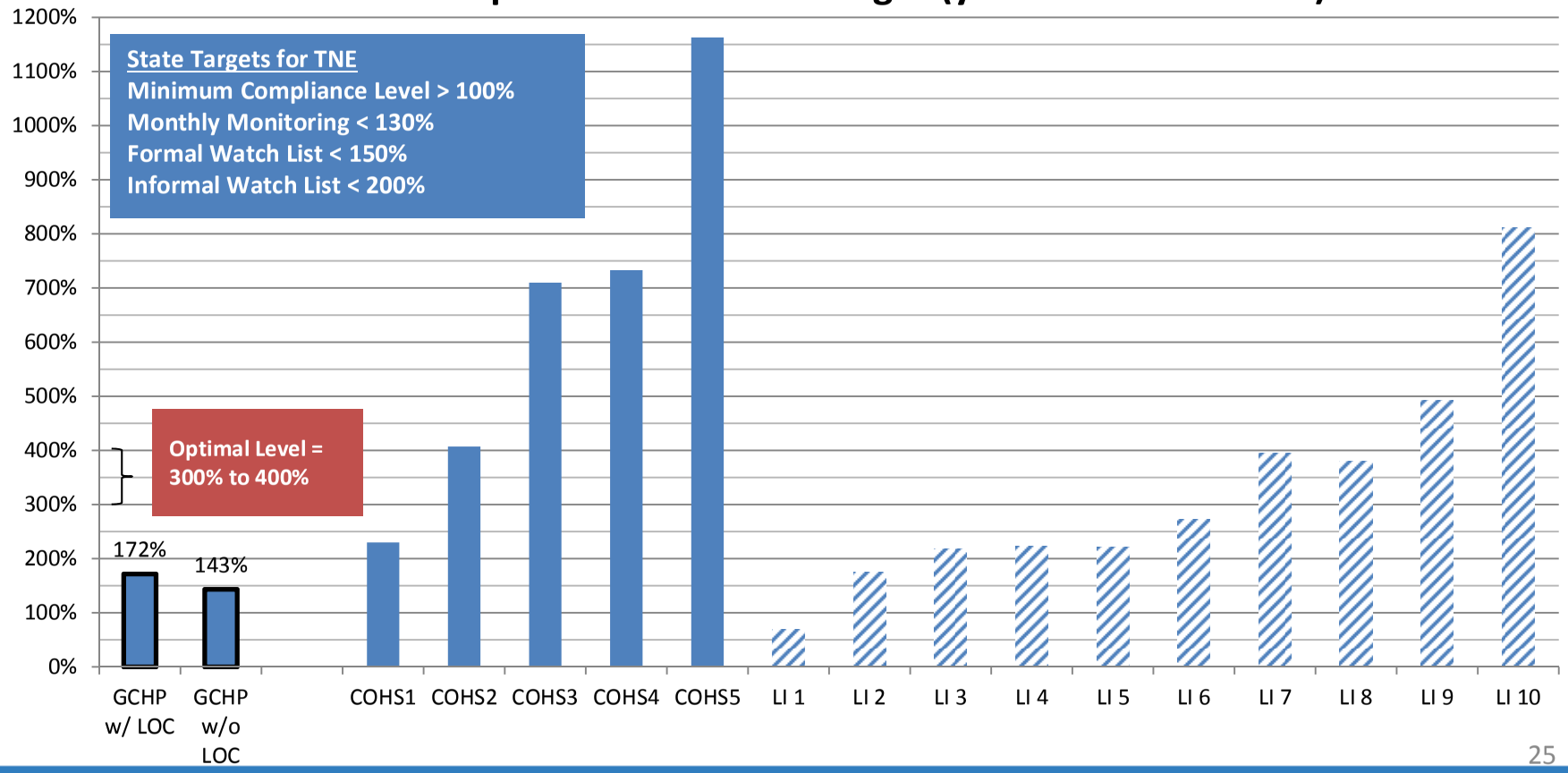
Tangible Net Equity

Plan will work with Commission to develop strategy for appropriate TNE levels

% TNE to Required - Public Plans
Q4 2013 (from DHCS Medi-Cal Managed Care Dashboard)
GCHP for Proposed FY2014-15 Budget (year-end TNE values)



Next Steps

- Update analyses and review budget during June 5th Executive / Finance Committee meeting
- Finalize budget and recommend approval during June 23rd Commission meeting