

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

**DATE:** Monday, January 23, 2012  
**TIME:** 3:00-5:00 pm  
**PLACE:** 2240 E. Gonzales Road, Suite 200, Oxnard CA 93036

## AGENDA

### Call to Order, Welcome and Roll Call

### Public Comment / Correspondence

1. **Approve Minutes**
  - a. Special Meeting Closed Session of November 28, 2011 *Action Required*
  - b. Special Meeting of November 28, 2011 *Action Required*
  
2. **Accept and File Management Update** *For Information*
  
3. **Accept and File Financial Report**
  - a. November and December Financials *For Information*
  
4. **Management Recommendations & Reports**
  - a. Claims Management Presentation *For Information*
  - b. Changes to Pharmacy & Therapeutics Committee *Action Required*
  - c. External Auditor Selection *Action Required*
  - d. Expiring Commissioner Terms *For Information*
  - e. Commission 2012 Meeting Schedule *Action Required*

### Comments from Commissioners

### Adjourn to Closed Session (if needed)

CLOSED SESSION: GC § 54957 - CEO Performance Evaluation

### Return to Open Meeting / Adjournment

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, 2220 E. GONZALES ROAD, SUITE 200, OXNARD, CA.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT 805/981-5320. 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

**County Medi-Cal Managed Care Commission  
(VCOMMCC) dba Gold Coast Health Plan (GCHP)  
Special Closed Session Commission Meeting Minutes  
November 28, 2011  
(Not official until approved)**

The purpose of the meeting was to hold the Closed Session.

Notice of said meeting was duly given in the time and manner prescribed by law. Affidavit of compliance is on file in the Clerk of the Board's Office.

**CALL TO ORDER**

Vice-Chair Gonzalez called the Special Meeting to order at 5:31 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

**ROLL CALL**

**COMMISSION MEMBERS IN ATTENDANCE**

**David Araujo, MD**, Ventura County Medical Center Family Medicine Residency Program  
**Maylee Berry**, Medi-Cal Beneficiary Advocate  
**Anil Chawla, MD**, Clinicas del Camino Real, Inc.  
**John Fankhauser, MD**, Ventura County Medical Center Executive Committee  
**Robert Gonzalez, MD**, Ventura County Health Care Agency  
**Rick Jarvis**, Private Hospitals / Healthcare System  
**Roberto S. Juarez**, Clinicas del Camino Real, Inc.

**EXCUSED / ABSENT COMMISSIONERS**

**Lanyard Dial, MD**, Ventura County Medical Association  
**Laurie Eberst, RN**, Private Hospitals / Healthcare System  
**Kathy Long**, Ventura County Board of Supervisors  
**Catherine Rodriguez**, Ventura County Medical Health System

**STAFF IN ATTENDANCE**

**Earl Greenia, CEO**  
Tin Kin Lee, Legal Counsel  
Traci R. McGinley, Clerk of the Board  
Audra Lucas, Administrative Assistant

**PUBLIC COMMENT / CORRESPONDENCE**

None.

**ADJOURN TO CLOSED SESSION - GC § 54957 - CEO Performance Evaluation**

The Commission adjourned to Closed Session 5:32 p.m.

## **RETURN TO OPEN SESSION**

The Commission returned to open session at 5:55 p.m. Vice-Chair Gonzalez announced that during the Closed Session, CEO Greenia's performance was reviewed. He added that in accordance with his contract, after six (6) months of above satisfactory performance he is eligible for up to a 5% increase. The Commission voted unanimously to provide the CEO a 5% increase retroactive to May, 2011. He closed stating that the annual performance review will be completed at a later date.

## **ADJOURNMENT**

Vice-Chair Gonzalez adjourned the meeting at 6:05 p.m.

**County Medi-Cal Managed Care Commission  
(VCMMCC) dba Gold Coast Health Plan (GCHP)  
Special Commission Meeting Minutes  
November 28, 2011  
(Not official until approved)**

The purpose of the meeting was to obtain public comment and provide community outreach.

Notice of said meeting was duly given in the time and manner prescribed by law. Affidavit of compliance is on file in the Clerk of the Board's Office.

**CALL TO ORDER**

Vice-Chair Gonzalez called the Special Meeting to order at 6:15 p.m. in Suite 200 at the Ventura County Public Health Building located at 2240 E. Gonzales Road, Oxnard, CA 93036.

The Pledge of Allegiance was recited.

**ROLL CALL**

**COMMISSION MEMBERS IN ATTENDANCE**

**David Araujo, MD**, Ventura County Medical Center Family Medicine Residency Program  
**Maylee Berry**, Medi-Cal Beneficiary Advocate  
**Anil Chawla, MD**, Clinicas del Camino Real, Inc.  
**John Fankhauser, MD**, Ventura County Medical Center Executive Committee  
**Robert Gonzalez, MD**, Ventura County Health Care Agency  
**Rick Jarvis**, Private Hospitals / Healthcare System  
**Roberto S. Juarez**, Clinicas del Camino Real, Inc.

**EXCUSED / ABSENT COMMISSIONERS**

**Lanyard Dial, MD**, Ventura County Medical Association  
**Laurie Eberst, RN**, Private Hospitals / Healthcare System  
**Kathy Long**, Ventura County Board of Supervisors  
**Catherine Rodriguez**, Ventura County Medical Health System

**STAFF IN ATTENDANCE**

**Earl Greenia, CEO**  
Tin Kin Lee, Legal Counsel  
Traci R. McGinley, Clerk of the Board  
Brandy Armenta, Quality Improvement Specialist  
Charlie Cho, MD, Chief Medical Officer  
Sonia DeMarta, Accounting and Finance Manager  
Andre Galvan, Project Management Specialist  
Guillermo Gonzalez, Government Affairs Director  
Darlane Johnsen, Chief Financial Officer

Pamela Kapustay, RN, Health Services Director  
Steven Lalach, Communications Director  
Audra Lucas, Administrative Assistant  
Aimee Sziklai, Operations Director

Language Interpreting and Translating services provided by GCHP from Lourdes González Campbell of Lourdes González Campbell and Associates.

### **PUBLIC COMMENT / CORRESPONDENCE**

Efera Cruz noted that she worked with the community this last year and hoped Ms. Berry realized how vital her roll on the Commission is for the public.

Mark Robinson, Tri-County GLAD, stated that he was present on Julianna Fjeld's behalf. He noted that a great relationship has developed with GCHP and complimented GCHP staff. GLAD is abreast of new technology, Video Phone is what is currently be used. He stressed that the Member Services Call Center needs to be able to accept such calls.

Christina Montero, Tri-County GLAD, complimented GCHP staff on the work they have done in the community to create a smooth transition. She added that she has worked with Lupe Gonzalez, Health Educator, on information for hearing impaired Members.

Griselda Reyes, (through Translator Lourdes González Campbell of Lourdes González Campbell and Associates provided by GCHP), asked at what age a person could apply for GCHP as her relative is 62 and has no insurance and asked how she could obtain assistance.

Linda Smith, ARC, informed the Commission that ARC serves approximately 800 individuals with developmental disabilities. She added that her daughter obtains services through ARC. She noted that she is on the Consumer Advisory Committee and thanked GCHP staff for being available to answer questions. She acknowledged that the transition is a slow process and expressed hope that any problems get resolved quickly.

Marco Benitez stated that people still do not know how to get help. GCHP spent money on advertising, but he has not heard information from the community outreach program. He added that he has not heard ads in Mixteco and believes Lazer Broadcasting has 70% of the Latino market. He asked why GCHP did not use Lazer.

Ruben Juarez, Healthy Families, Ventura County Health Care Plan, explained that he works to promote available services and has worked with GCHP as well. There are many programs available for families to obtain services. Mr. Juarez added that he has heard a lot of advertisements.

Denis O'Leary, Oxnard School District Trustee, stated that he believed GCHP has the best intentions and does not want anyone to lack medical services. GCHP needs to go above and beyond and meet with people that can advise them on how to provide better services.

Norma Gomez, MICOP, (through Translator Lourdes González Campbell of Lourdes González Campbell and Associates provided by GCHP), explained that they represent the Mixteco population. She added that they speak Mixteco, not Spanish or English. She thanked Guillermo Gonzalez for assisting in obtaining contracts for coverage in other communities as the migrant workers travel from Ventura County up the State.

David Cruz, HELA President, stated that in October he requested information from GCHP and received incomplete material. He expressed his concern that GCHP does not have a marketing plan, how does staff know the effectiveness of their work. GCHP's top nine staff members earn more than \$1.4 million annually. Mr. Cruz asked if GCHP is another "business as usual" agency, and people will not come back to the Commission if they feel they are just rubber-stamping items.

Raymundo Pinedo stated that he is from Santa Paula and there are a lot of kids that need services yet he has not heard anything about GCHP. He stated that if staff is putting all that money into their pockets, where are the services, people are not being provided services. Mr. Pinedo added that he cannot afford health services and it is GCHP's job to provide for the community.

Jesus Cuervas asked who sets the rules for the doctor; he stated that they tell him they will cure him in six months then a year later he is still not cured. He is afraid to go to doctors that do not cure him and only maintain him.

Maria Lourdes Cordova, stated that she did not believe enough time was provided for the change. The first time she went to the doctor after the switch they didn't want to see her because they could not locate her information even though she had been going there for 10 years. She asked about members that did not choose a PCP. She lives in Ventura and if she got assigned to Oxnard she would have a transportation problem. She expressed her concern about the amount of money that GCHP spent; she received 2 packets (an English and Spanish copy) for each of the 6 people in her family instead of only 1 packet for the entire family.

Alfredo Plascencia, Lazer Broadcasting, stated that GCHP purchased radio time from Lazer stations via Gold Coast Broadcasting. He added that Lazer provides many Public Service Announcements; they ask many doctors and nurses to participate.

Roberto Cuellar explained that he is a cancer survivor of 11 years and must get shots every month. With GCHP he gets his shots, but there's a lot of red tape. He added that he is currently not working, his coverage will not become effective again until December 1<sup>st</sup>. His children have vision and dental problems and they are not covered.

## **1. APPROVAL OF MINUTES**

### **a. Meeting of September 26, 2011**

Vice-Chair Gonzalez noted the spelling of his name needed to be corrected on page 2. Vice-Chair Gonzalez and Commission Juarez requested that the last paragraph on page 4 of the minutes read as follows:

“Commissioner Juarez noted that this type of issue is typically discussed at the Executive Finance Committee and believes this is really looking at a model, not the CEO’s authority. Vice-Chair Gonzalez agreed that the discussion should have taken place at the Executive Finance Committee Meeting. Commissioner Araujo added that the Commission needs feedback, reports of contracts executed and model contracts need to be provided to the Commission. CEO Greenia noted that contract information is provided in the CEO Report to Commission.”

Commissioner Berry moved to approve the September 26, 2011 Meeting Minutes as amended; Commissioner Juarez seconded. The motion carried. **Approved 7-0.**

## **2. MANAGEMENT UPDATE**

CEO Greenia acknowledged that GCHP has been operational for almost six months. He noted that GCHP received the updated capitation rates from the State, reflecting reductions mandated by AB 97; the reduction was less than anticipated and is 2.19%, a \$7 million reduction.

## **3. FINANCIAL REPORT**

### **a. Re-forecasted Budget**

CFO Johnsen noted the rate reduction from the State and reported that the budget has been revised. The impact has been less than expected; however, this does not reflect the changes in provider compensation. There were previous questions on the General & Administrative expenses so a schedule of salaries and benefits has been included in the packet. There has been an increase in staffing; the majority in health services.

Questions were raised regarding the impact of cuts, to which CFO Johnsen responded that GCHP hopes to minimize the impact to Providers. However, until claims processing stabilizes staff cannot determine the extent of impact.

Commissioner Araujo moved to approve the re-forecasted budget, Commissioner Berry seconded. The motion carried. **Approved 7-0.**

### **b. September Financials**

CFO Johnsen noted that this would be reviewed in 3c as October Financials include September figures.

### **c. October Financials**

CFO Johnsen noted revenue continues to exceed the budget given increased membership and the member premium mix. The California Department of Health Care Services (CDHCS) announced the premium reduction retroactive to July as a result of the approval of the provider rate reductions by CMS. The impact on Plan Premium is \$560,000 per month. Year to date \$2.3 million has been accrued.

Health Care costs year to date are \$84.2 million. This compares to the forecast of \$21.4 million. We are coming in close to budget as the pharmacy costs are lower than budgeted.

There were questions regarding the increase in salaries and benefits, to which CFO Johnsen responded that positions were added, especially to the Health Services division.

David Cruz, HELA, questioned whether employees receive \$1,000 per month for medical insurance and 10% for 401 contributions. CEO Greenia clarified that the cost for medical benefits is \$1,000 per month per employee and 10% is contributed to 401k accounts since Regional Government Services (RGS) does not contribute to Social Security.

CFO Johnsen continued explaining that it was originally forecasted that we would receive the premium ahead, but it is received in arrears.

**d. State Rate Reduction**

CFO Johnsen noted that this was reviewed in 3c. *October Financials*.

**4. MANAGEMENT RECOMMENDATIONS AND REPORTS**

**a. Community Outreach Presentation**

Steve Lalich, Communications Director, gave a PowerPoint presentation. He explained that there was a “kick-off” information campaign directed to the public and media. The Plan addressed expected questions regarding the transition to managed care. He added that there were a number of events with the County and that many organizations, such as Clinicas that assisted. The media campaign utilized newspaper, radio and television. The first media phase began in May, the second concluded November 18. There is a plan to have a third phase next year.

Director Lalich noted that GCHP partnered with several entities. We reviewed Arbitron ratings to determine the best buy for the Plan. He reviewed specific criteria of Phase 1 of the Campaign as outlined in the presentation. The first phase reached 430,400 unique listeners and 265,500 in the second phase which emphasized the necessity of maintaining a Medical Home for members.

When Gold Coast Broadcasting was selected as the vendor they were directed to use various stations to ensure that the broad base of Medi-Cal beneficiaries was reached.

Commissioner Juarez inquired about Gold Coast Broadcasting’s ability to reach the Hispanic market, to which Director Lalich responded that was taken into consideration when the media buy was made, the only data that could be verified was Arbitron.

**b. Delineation of Authority**

CEO Greenia noted that this was assigned to the Executive Finance Committee and went before them at the November 9, 2011 meeting. Commissioner Juarez noted that “not” is missing from 4b-2 and Vice-Chair Gonzalez. Commissioner Araujo commented that an approval date should be added to the document.

Commissioner Fankhauser asked if this was presented to the Executive Finance Committee to which Vice-Chair Gonzalez confirmed that the bullets were discussed and agreed to; however not specifically regarding General and Inclusive, etc. Commissioner Araujo recommended “including, but not limited to #1”



There is dialogue regarding delineation of authority from the Commission to the CEO.

Commissioner Juarez moved to accept the proposed Delineation of Authority with the deletion of Category #1 "...subject to Commission approval:...", and the first two bullets of what is Category #2 to read as follows:

- "Negotiation, execution and termination of provider contracts. As new model contracts are developed, Management will present such models to the Executive-Finance Committee as an information item.
- Negotiation and execution of vendor contracts, subject to thresholds established by the Commission (See Attached: VCOMMCC CEO Signing Authority for Contractual Agreements for Administrative Goods and Services, approved on June 28, 2010)."

Commissioner Chawla seconded and the motion carried. **Approved 6-1.**

**c. Vision Benefit Managed Vendor Selection**

CEO Greenia informed the Commission that several proposals from vision benefit management vendors were received and reviewed. He noted that if the Commission approves the item it would also be subject to State approval and that the Vendor will be expected to preserve the existing provider network.

Commissioner Fankhauser moved to approve the Vision Benefit Vendor Selection, Commissioner Berry seconded. The motion carried. **Approved 4-3**, with Commissioners Gonzalez, Juarez and Chawla voting no.

Discussion was held regarding the effect on the budget to which CFO Johnsen announced that this would be a cost savings to the Plan from what was budgeted.

Concern was raised regarding complications and timeliness of obtaining lenses through the State Prison system to which CMO Cho advised the Commission that it is State Law that Medi-Cal use Prison System lenses.

**d. Claims Management Report**

CEO Greenia announced tremendous progress had been made on processing pended claims. Claims can be "pended" for many different reasons, about 80% fall into five broad categories. Multiple system enhancements have been developed and entered into production by ACS to reduce the volume. This will have a positive impact going forward; however, the manual review of the existing claims residing in pend queues remain, and is a priority for both parties. Working with ACS, we expect the pend queues to be significantly reduced no later than mid-January.

Adam Blodgett, ACS Operations, noted that most of focus for the past six weeks has been on these issues. The proposed timeframe is the "worst case" and staff is working around the clock to resolve the problem.

Commissioners expressed their concern regarding ACS' attention and competency to this issue.

**e. Commission 2012 Meeting Schedule**

CEO Greenia highlighted staff's recommendation to not schedule meetings in September and December. Also, now that the Plan is "live" it is challenging to present finance reports by the second week of the month.

Commissioner Araujo moved to accept the 2012 Meeting calendar as amended: the Executive / Finance Meetings will be held on the Tuesday prior to the Commission Meetings. March and October to be evening meetings, the regular Commission and Executive / Finance Meetings will start at 3:00 p.m., Meetings remain scheduled in September, the November Executive / Finance Meeting be moved up one week due to the holiday. Commissioner Juarez seconded. The motion carried. **Approved 7-0.**

**COMMENTS FROM COMMISSIONERS**

Commissioner Berry announced that she would not review her report at this time, but will file it with the Clerk of the Board given the late hour. She also introduced Katherine Raley of the Consumer Advisory Committee.

Katherine Raley noted that her organization had received three minor complaints which were quickly addressed by Andre Galvan.

Commissioner Juarez stressed the need to initiate the external audit process.

**ADJOURNMENT**

The meeting adjourned at 8:52 p.m.



**Chief Executive's Monthly Report to Commission  
January 23, 2012**

**PEOPLE** (Organizational Structure)

- We have added additional talent to our team:
  - Provider Relations Assistant: Velma Washington
  - Claims/Provider Research: Nikole Leininger.
- Since our last Commission meeting, two executives have left: Connie Davis, Director of Claims and Darlane Johnsen, Chief Financial Officer. In the interim, Aimee Sziklai has assumed day-to-day oversight for claims.
- Sonia DeMarta, our Finance Manager has been appointed Interim CFO. Sonia is an experienced financial executive with more than twenty years broad experience in various industries. Her most recent position was Accounting Manager with US Healthworks, a national healthcare corporation with over 130 Occupational Medicine Clinics. Previously, she worked at NBC Universal as Director of Accounting & Finance and managed a large team, and oversaw numerous systems enhancements that delivered significant cost savings. Prior to that, she served as the Controller of Investor's Business Daily. Sonia earned a Bachelor's in Accounting from California State University, Los Angeles and started her accounting career with Coopers & Lybrand where she obtained her CPA license in 1989.
- Recruitment continues for: Member Services Director (interviewing and evaluating applicants), Claims Director (interviewing and evaluating applicants). Given the criticality of filling the CFO and Quality Director positions with the best possible talent, a search firm has been retained to assist and expedite the process. Recruitment efforts have been initiated for an IT technician. Recruiting efforts for the Senior Director of Operations position are "on hold" for further evaluation of organization structure.
- Position description and compensation evaluation/ industry comparisons were completed. Development of a formal salary schedule is in process with expected completion by mid-February.
- The annual performance appraisal process was recently completed and, where appropriate, and within budget, salary adjustments were made.

**SERVICE** (Member & Provider Satisfaction, Government Affairs, Compliance)

**Community Outreach & Education**

- Our Community Outreach Specialist represented GCHP at La Colonia Resource Fair in Oxnard held Sunday December 11. The Fair's focus was on community information, education and free health screenings. Over 1,000 people attended the event.

- In mid-December GCHP and Script Care, Ltd. teamed-up with Nipro Diagnostics, Inc., a diabetes lifestyle management company, and distributed free blood glucose monitoring meters and test strips to Plan Members at three participating pharmacies: Seeber’s, Herbay Pharmacy, and Burt’s Pharmacy – we distributed more than 100 meters to our Members.
- On January 15, GCHP hosted an informational table at the Ventura Swap Meet, and will do so again on January 29.
- On January 27 we will provide an overview of the Plan to approximately 20 school nurses at the Ventura County Office of Education.
- Other scheduled outreach events include:
  - February 1: Trans Fairs in Santa Paula
  - February 9: Agency 101 Ventura County Office of Education
  - February 15: Trans Fairs in Thousand Oaks
- We are working with Coffey Communications to redesign our website in an effort to provide the Member with a more functional, interactive and content-rich tool. Completion is expected by the end of March. We are working with the same vendor to produce a Member newsletter that will be published on a tri-annual basis. The first edition will be mailed to Member households in late February.

Claims Processing

- As of January 20, GCHP and our claims management vendor, ACS have made tremendous progress is resolving various challenges associated with this complex undertaking. Some key data points are summarized below. ACS will provide a formal update during our meeting.

	<b>28-Nov</b>	<b>20-Jan</b>	<b>Change</b>
Mailroom Inventory	19,596	1,591	-91.9%
Claims Inventory	94,089	29,122	-69.0%
Claims Inventory >30 Days	42,797	8,274	-80.7%
Pend Inventory >30 Days	49,037	7,388	-84.9%
Claims Processed/Paid Since Inception	496,409		

Government Affairs

- Community Based Adult Services (CBAS): Staff continue to participate in weekly all-plan calls with DHCS concerning the state’s effort to transition adult day health care participants and Medi-Cal beneficiaries to the CBAS Program. DHCS is in the process of determining CBAS eligibility through health risk assessments, conducted by state employed nurses, of current adult day health care participants. Eligibility and non-eligible notices will be sent to beneficiaries the last week of January. DHCS will make lists available to Plans of those beneficiaries eligible for CBAS, possibly by the middle of next week. DHCS is withholding the release of assessment files to Plans until more progress is made on completion of health risk assessments.
- We are monitoring the on-going court cases involving legal challenges to the DHCS proposed rate reductions to Medi-Cal providers and In Home Supportive Services. There are three cases pending before California courts involving rate reductions, these involve: 1) distinct part/nursing facility rates); 2) pharmacy services; and 3) non-

emergency medical transportation services. The federal district court for the Central District of California issued an order that preliminarily enjoins 10 percent payment reductions to non-emergency medical transportation providers. The Court issued an injunction to temporarily block the Department of Health Care Services from implementing the 10 percent rate reductions on the three categories mentioned above. DHCS has appealed the court order to the Ninth Circuit Court of Appeals. Lastly, on Thursday, January 19th another U.S. District Court issued a preliminary injunction to prevent the state from cutting IHSS care hours by 20%.

- The Governor's proposed state budget reduces rates to Healthy Families Program providers by 25 percent effective October 1, 2012. According to DHCS, this is equivalent to rate levels paid to plans in Medi-Cal managed care. The proposed state budget also includes the transition of all children in the Healthy Families Program into Medi-Cal managed care as well as the transfer of all Healthy Families-related programs to DHCS beginning October 2012. In 2011, Ventura County's Healthy Families Program enrollment was approximately 23,000. Statewide there are 870,784 children enrolled in the Healthy Families Program as of December 31, 2011.

#### Custodial Care

- Concern has been raised from members and/or their families who had received services under the previous fee-for service model. Complaints from the provider community have also come to our attention that some of these services are not medically necessary. Prior to the transition to managed care, an estimated 45 Medi-Cal beneficiaries with disabilities had received supplemental services, such as private duty nursing from a registered nurse or a licensed vocational nurse. Under the Early & Periodic Screening, Diagnosis & Treatment Program (EPSDT) members under the age of 21 can be provided private duty nursing (hourly or shift nursing) in the home when deemed medically necessary. The treatment authorization request (TAR) process is delegated by DHCS's In Home Operations Division within the California Children Services (CCS) Program directly to the Counties. The CCS program is administered as a partnership between county health departments and DHCS. GCHP Health Services staff is currently reviewing this on a case-by-case basis.

#### Compliance

- Staff from the Department of Managed Health Care (DMHC) was onsite January 10-11 to begin their Medical Loss Ratio Evaluation. The purpose of the evaluation is to assess the Plan's financial condition and accuracy of previously reported financial information. The auditors are evaluating claims processes and operations. The process of the onsite audit included: ACS and GCHP staff interviews, ACS mailroom walk through with questions and documents requested by DMHC from ACS staff as well as an overview of claims processes. The auditors will return in February for a follow-up onsite visit however the dates have not been determined. Compliance continues to work with DMHC for all requests related to the audit. Upon conclusion of the evaluation/audit GCHP will receive a full report from the department, which will be shared with the Commission.
- Compliance 360 implementation manager was onsite during the first week of January and worked with staff to establish and build workflows and processes in the software.

Bi-weekly meetings are being held to ensure smooth implementation of the software. Go-live is tentatively slated for May.

- The Compliance hotline is expected to be operational by the end of the month. The hotline will serve as the compliance/ethics and fraud waste and abuse hotline.
- A Code of Conduct and Fraud, Waste and Abuse Policy have been drafted and are currently under review.
- The establishment of a Compliance Committee is a goal for first quarter 2012.

**Member Services**

- The Consumer Advisory Committee met on December 8. The committee received information about our Compliance Program, the Grievance and Appeals process, Provider Network, and Community Outreach plans. A subcommittee was created to define goals and objectives for 2012. The Committee also reviewed and approved Group Needs Assessment survey instrument.
- Team members completed GCHP’s position statement for our fourth fair state hearing case concerning a member’s request to dis-enroll from GCHP.
- Member Services addressed several inquiries regarding custodial care service and prepared for our first Fair State Hearing Case concerning custodial care. We are also preparing for another hearing dealing with out of network outpatients services.
- We are staying in compliance with Grievance and Appeal by sending the acknowledgement letters out within five day and resolution within 30 days.
- Staff continues to review call center statistics to ensure that operational efficiency and effectiveness are maintained and improved where indicated. Recent performance:

	Calls Handled	Calls Abandoned	Abandoned Percent	Avg Speed Answer (in min)	Average Handle Time (in min)	Average Talk Time (in min)	Average Hold Time (in min)
Oct	9,495	26	0.27%	0.06	6.65	5.16	0.64
Nov	9,113	21	0.23%	0.07	6.86	5.07	0.58
Dec	8,787	32	0.36%	0.07	7.25	4.94	0.57

**QUALITY** (Comprehensive Medical Management)

- GCHP is consistently in compliance with State turn-around-time requirements for authorizations.
- Health Educator has met with numerous agencies and groups: Ventura County Public Health, Child Prevention Services, Ventura County Human Service Agency, Food Bank of Ventura County, Ventura County Behavioral Health, Tobacco Cessation Program, Rainbow Connection, Tri-Counties Regional Center.
- Progress being made in the integration of medical management systems. A team from ACS and CQS is in place to ensure an organized approach to identify and address outstanding issues. ACS has assigned two individuals to observe the nurses working in the systems here on-site. They have been tasked to identify system challenges between the systems, training needs, and efficiency issues to develop the project scope.

- Quality Improvement Plan has been drafted and will be reviewed by the Quality Improvement Committee on February 3.
- Utilization Management Plan has been drafted and will be reviewed at the first UM Committee meeting.
- A workflow has been created to ensure compliance with all grievances and appeals. Definitions, training and a tracking database are in development. Customer service guidelines will be finalized and training will occur to ensure all grievances and appeals are documented and handled properly.
- Staff has met with representatives from Milliman to scope our data warehouse and report-writing needs; our goal is to have the ability to generate robust reports within the next ninety days.

## **ACCESS** (Robust Provider Network)

### Provider Outreach

- A jointly sponsored California Association of Health Facilities (CAHF) - GCHP conference call was recently held with long term care (LTC) facilities. Staff provided updates on: claims inventory, operations, claims payments, and billing. Providers requested various enhancements to the claims and billing process. ACS staff, who participated in the call, promised to work on these requests and report back as to status in the next scheduled call on or about February 3.

### Provider Contracting

- We received final State approval for VSP contract.
- Staff is updating our Provider Directories, Provider Manual, Provider FAQ Sheet in preparation for broad training events to be conducted next month.
- We executed 51 Agreement from November 2011 to January 20, 2012: 17 were for specialist physician services and 1 new PCP, 15 for Dialysis, 9 for DME, 2 Laboratory, and the remainder for other ancillary services.
- Between November 1 and today, we have negotiated and executed 73 “Single Patient Agreements” with out-of-network providers for special unique services not available in the current network.
- Our comprehensive network currently consists of:

<b>Provider Type</b>	<b>Number of Contracts</b>	<b>Number of Providers</b>
Primary Care Providers *	27	331
Specialist Physicians **	124	2,278
Hospitals	9	13
Long-Term Care Facilities	52	75
Laboratories	16	53
Pharmacies	1	97
Home Health / Hospice	24	30

Optometrists	23	48
Other Providers ***	136	255
<b>TOTALS</b>	<b>412</b>	<b>3,180</b>

\* Includes 71 Mid-Level Practitioners

\*\* Includes 184 Mid-Level Practitioners

\*\*\* Does not include Memoranda of Understanding with local agencies.

**FINANCE** (Optimize Rates, Ensure Long-Term Viability)

- We initiated the RFP process for auditing services and invited five firms, all of whom have experience in auditing health plans and governmental agencies, to submit proposals. We are in the process of evaluating the submissions.
- We continue to refine our methods of estimating health care costs. Given our limited experience, it is still too early to accurately extrapolate billing and payment patterns. However, we are able to adjust some projections based on enrollment patterns.
- GCHP submitted statutorily required month-end and quarter-end financial statements to the State.

Respectfully submitted,

Earl G. Greenia  
Chief Executive Officer



**GOLD COAST HEALTH PLAN**  
**Executive Summary**  
**December 2011 Financials**

**Membership**

Membership for December increased by 69 members over November and is below budget by 470. The difference in membership mix was concentrated primarily in the Adult/ Family (475) aid category.

**Revenue**

Revenue for December was below budget but exceeded year-to-date budget, due to:

- Higher budgeted membership in December resulted in a \$1.2M unfavorable variance. Gross Premium Revenue exceeded budget by \$6.5M year-to-date, and actual membership was lower than budget because the budget rates reflected the AB97 adjustments and actual rates did not.
- December member mix, when compared to budget, was unfavorable by almost \$11.00 pmpm and favorable by \$11.00 pmpm at year-to-date. This is the result of differences in the membership mix. Membership has been updated in the reforecast to reflect the current membership mix.
- In October, California Department of Health Care Services announced that the premium would be reduced retro-active to July 1, 2011 as a result of the approval of the provider rate reductions (AB 97) by CMS. The impact on Plan Premium was a 2.2% reduction or \$560,000 per month. Year-to-date, \$3.3 million has been accrued for future offset.

**Health Care Costs**

December health care costs were \$21.8 million and \$127.6 million year to date. This compares to the forecast of \$21.7 million and \$127.8 million, respectively. Costs again followed budget, reflecting the positive experience for pharmacy and capitation.

- **Claims:** While GCHP continue to make address claims processing issues we book medical costs based on budget (adjusted for membership) until meaningful trends can be established. The overall unfavorable variance was largely due to retroactive membership increases impacting the calculation; retroactivity amounting to approximately 3,400 members. Total claims (excluding pharmacy) for December were \$17.9M and \$107.1M year to date, compared with \$17.4M and \$105.3M per budget.
- **Capitation:** Capitation continued to perform favorably as compared to budget. Capitation was budgeted based on total membership for the three aid categories (Adult/Family, Aged & Disabled). Not all members in these categories are required to select a PCP. December capitation was \$646.5K as compared to a budgeted \$735.2K, and year to date was \$3.7M compared to \$4.0M.
- **Pharmacy:** Pharmacy continued to outperform budget. As previously noted, utilization continued to be lower than originally forecasted. In December the Plan had a positive variance of \$341K and year-to-date \$1.7M. However, there was an

increase in December pharmacy over November amounting to \$303K. December pharmacy encounters increased by over 2,800, as compared to the prior month.

As a side note, the top ten pharmacy dollar increases were as follows:

Drug Name	Dec 2011	Nov 2011	Increase
BENEFIX	55,000	-	55,000
INCIVEK	100,008	49,668	50,340
ATORVASTATIN	23,561	-	23,561
ZYVOX	17,031	461	16,569
REVLIMID	16,106	-	16,106
ENBREL SRCLK	24,402	11,278	13,124
VELETRI	10,197	-	10,197
MYCOPHENOLAT	24,031	15,225	8,807
REVATIO	23,791	15,096	8,695
ARANESP	7,156	-	7,156

### **General & Administrative Expenses**

In December, general and administrative expenses were favorable to budget by \$51K for the month, \$131K year-to-date. Vendor costs represented 71% of total general and administrative expenses, and payroll costs represented 21%.

- ACS fees are based on a per member per month basis. Year-to-date costs exceeded budget due to the increased membership
- CQS fees exceeded budget during the month of December due to the unbudgeted addition of 5 RNs and Mailroom clerks.
- ScriptCare management fees were significantly below budget because compensation is based on utilization. The favorable utilization was reflected in the better than budgeted administrative expense.
- Salaries and benefits are favorable to budget during the month of December and Year to date. December payroll expenses exceeded November by 13%, of which 5% was the cost of severing one employee, 1% spent on temporary labor, and 7% for one new hire plus merit and market-based adjustments effective November 1.
- December's interest expense reflected the accrual of known interest payable to Providers for the period of August through December. The company expects this number to rise as more accurate reporting tools become available.

### **Balance Sheet**

- Cash and cash equivalents as of December 31 were \$31.7 million, exceeding forecast by \$2.0 million. The original forecast assumed premiums would be received in the month earned; however, premiums are received in the month subsequent. Beginning in November, the Company recorded the value of the

outstanding claims checks as a negative cash balance. In December, outstanding claims checks amounted to \$8.6 million.

- The cash balance reflected the delay in processing claims. Year-to-date the Plan has paid \$69.4 million in claims and capitation; the budget forecasted that \$80.1 million would have been paid through December; a variance of \$10.7 million.
- Receivables included both the amounts due from the state for December and retroactive member increases (\$28.3 million) and provider receivables (\$2.9 million).
- To address claims processing challenges, the plan has advanced interim payments to some providers; these will be offset by future claims payments.
- Incurred But Not Reported (IBNR)/Claims Payable as of December 31 was estimated at \$44.8 million (excluding \$1.6M in accrued pharmacy costs). Claims liability was estimated using budgeted per member per month amounts adjusted for membership plus retroactivity, less claims paid during the month. December claims paid amounted to \$22.0 million, reflecting an increase in processing activity aimed at reducing the backlog.
- Accrued Premium Reduction amounted to \$3.3 million and is the result of the reserve that GCHP continues to post for the mandated premium rate reduction. Premium payments were received reflecting the old, higher rates and the reserve was set aside for anticipated future settlement, retroactive to July 1. The amount added to the reserve in December was \$598K.
- Accrued Premium Tax Payable of \$3.6 million reflected six months of MCO tax not paid until January. Quarterly payments are normally required, but there were technical issues to resolve with the state regarding electronic payments. No penalties were assessed, and quarterly payments will be processed going forward.

### **Fund Balance**

As of December 31, the Plan had a positive fund balance of \$6.1 Million, primarily the result of higher actual membership than budgeted. Additionally, the budget reflects the lower AB97 adjusted rates.

### **Tangible Net Equity**

There is no Tangible Net Equity (TNE) requirement for December. According to the phased-in approach approved by the Department of Health Care Services, the Plan is not required to satisfy minimum TNE until after the first six months of operation. In accordance with the phase-in provision, the Plan will be required to attain 20% of the minimum required TNE. As of December 31, GCHP's the Plan's TNE was \$6.0M, which compares favorably to the pro forma phase-in requirement of \$2.9M (20% of \$14.6M).

**Gold Coast Health Plan  
Balance Sheet  
Period Ended December 31, 2011**

**ASSETS**

**Current Assets**

Petty Cash	\$ 1,000
Cash - Restricted	0
Cash -Operating Account	1,185,713
Cash - Claims Payment	(8,571,111)
Money Market Account	39,065,196
<b>Total Cash and Cash Equivalents</b>	<b>31,680,799</b>
Medi-Cal Receivable	28,284,129
Provider Receivable	2,909,732
Other Receivables	22,788
<b>Total Accounts Receivable</b>	<b>31,216,649</b>
Total Prepaid Accounts	115,582
Total Other Current Assets	320,000
<b>Total Current Assets</b>	<b>63,333,030</b>

**Total Fixed Assets** **78,874**

**Total Assets** **63,411,904**

**LIABILITIES**

**Current Liabilities**

Incurred But Not Reported	18,598,456
Claims Payable	27,885,327
Capitation Payable	646,596
Accrued Premium Reduction	3,333,191

Accounts Payable	191,182
Accrued ACS	171,649
Accrued RGS	62,879
Accrued Premium Tax	3,560,842
Current Portion of Deferred Revenue	460,000
Accrued Payroll Expense	40,982
Current Portion Of Long Term Debt	500,000

**Total Current Liabilities** **55,451,104**

Other Long-term Liability	291,667
Deferred Revenue - Long Term Portion	1,610,000

**Total Long-Term Liabilities** **1,901,667**

**Total Liabilities** **57,352,771**

Beginning Fund Balance	(4,422,819)
Net Income Current Year	10,481,952

**Total Fund Balance** **6,059,133**

**Total Liabilities & Fund Balance** **63,411,904**

**Gold Coast Health Plan  
Income Statement  
Period Ended December 31, 2011**

	<u>OCT 2011</u>	<u>NOV 2011</u>	<u>DEC 2011</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>	<u>YTD</u>	<u>% of Rev</u>	<u>Budget</u>	<u>% of Rev</u>	<u>Variance Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	101,619	101,174	101,243	101,670	(427)	609,026		609,923		(897)
<b>Revenues</b>										
Premium	26,300,397	26,051,388	26,543,927	27,731,566	(1,187,639)	155,640,485	101.99%	149,126,983	100.92%	6,513,502
Reserve for Retro-Active Rate Reduction	(556,951)	(557,959)	(560,056)	-	(560,056)	(3,333,191)	-2.18%	(1,658,225)	-1.12%	(1,674,966)
Interest Income	15,348	15,968	16,814	14,839	1,975	65,196	0.04%	61,573	0.04%	3,623
Miscellaneous Income	38,333	38,333	38,333	38,333	0	230,000	0.15%	229,998	0.16%	2
<b>Total Revenues</b>	<b>25,797,127</b>	<b>25,547,730</b>	<b>26,039,018</b>	<b>27,784,738</b>	<b>(1,745,720)</b>	<b>152,602,491</b>	<b>100.00%</b>	<b>147,760,329</b>	<b>100.00%</b>	<b>4,842,162</b>
MCO Tax	597,129	601,035	598,144	568,826	29,318	3,560,842	2.33%	3,428,954	2.32%	131,888
<b>Net Revenue</b>	<b>25,199,998</b>	<b>24,946,694</b>	<b>25,440,875</b>	<b>27,215,912</b>	<b>(1,775,037)</b>	<b>149,041,649</b>	<b>97.67%</b>	<b>144,331,375</b>	<b>97.68%</b>	<b>4,710,274</b>
<b>Cost of Health Care</b>										
<u>Capitation</u>	625,098	637,089	646,596	735,229	88,633	3,744,260	2.45%	4,040,817	2.73%	296,557
<u>Claims</u>										
Inpatient	10,929,693	10,902,069	10,912,454	10,558,410	(354,044)	64,994,107	42.59%	63,817,338	43.19%	(1,176,769)
Outpatient	2,939,463	2,921,288	2,911,739	2,817,271	(94,468)	17,393,848	11.40%	18,371,808	12.43%	977,960
Professional	2,228,037	2,222,405	2,224,523	2,152,350	(72,173)	13,249,281	8.68%	13,029,632	8.82%	(219,649)
Pharmacy	2,884,784	2,913,958	3,217,573	3,558,444	340,871	16,741,618	10.97%	18,397,966	12.45%	1,656,348
Reinsurance	94,616	92,928	92,131	92,520	389	557,217	0.37%	555,030	0.38%	(2,187)
Other	1,843,404	1,851,697	1,844,975	1,781,255	(63,720)	10,894,750	7.14%	9,549,762	6.46%	(1,344,988)
<u>Total Claims</u>	<u>20,919,998</u>	<u>20,904,345</u>	<u>21,203,395</u>	<u>20,960,250</u>	<u>(243,145)</u>	<u>123,830,821</u>	<u>81.15%</u>	<u>123,721,536</u>	<u>83.73%</u>	<u>(109,285)</u>
<b>Total Cost of Health Care</b>	<b>21,545,096</b>	<b>21,541,434</b>	<b>21,849,991</b>	<b>21,695,479</b>	<b>(154,512)</b>	<b>127,575,080</b>	<b>83.60%</b>	<b>127,762,353</b>	<b>86.47%</b>	<b>187,273</b>
<b>Administrative Expenses</b>										
Total Salaries Benefits and Compensation	366,471	367,354	415,981	425,168	9,187	2,209,326	1.45%	2,242,322	1.52%	32,996
Total Travel and Training	4,504	2,106	1,310	7,790	6,480	25,572	0.02%	47,439	0.03%	21,867
Outside Service - ACS	951,956	949,656	948,203	940,676	(7,527)	5,680,250	3.72%	5,610,798	3.80%	(69,452)
Outside Service - CQS	251,186	191,197	191,152	173,948	(17,204)	1,112,098	0.73%	1,126,278	0.76%	14,180
Outside Service - RGS	9,321	9,261	9,261	10,905	1,644	54,974	0.04%	58,104	0.04%	3,130
Outside Service - Script Care	223,467	219,964	238,533	280,868	42,336	1,225,737	0.80%	1,386,379	0.94%	160,642
Outside Services - Other	12,321	770	37,906	20,187	(17,719)	59,086	0.04%	43,117	0.03%	(15,969)
Accounting & Actuarial Services	1,244	2,438	-	5,000	5,000	22,126	0.01%	33,445	0.02%	11,319
Legal Expense	(7,542)	3,948	-	3,000	3,000	14,072	0.01%	26,667	0.02%	12,595
Insurance	2,959	2,959	2,959	2,959	0	20,214	0.01%	20,216	0.01%	2
Lease Expense -Office	13,040	13,040	13,040	13,040	-	78,240	0.05%	78,240	0.05%	-
Consulting Services Expense	2,711	2,733	2,640	7,600	4,960	32,153	0.02%	46,363	0.03%	14,210
Translation Services	831	1,440	15	1,397	1,382	3,760	0.00%	5,666	0.00%	1,906
Advertising and Promotion Expense	49,239	13,226	406	3,744	3,338	153,602	0.10%	152,400	0.10%	(1,202)
General Office Expenses	14,090	53,313	19,174	84,074	64,900	185,598	0.12%	122,303	0.08%	(63,295)
Depreciation & Amortization Expense	1,461	1,461	1,461	1,461	0	8,764	0.01%	8,766	0.01%	2
Printing Expense	144,933	(139,357)	2,014	25,359	23,345	12,354	0.01%	79,537	0.05%	67,183
Shipping & Postage Expense	151,539	(148,599)	-	8,575	8,575	520	0.00%	22,304	0.02%	21,784
Interest Exp	-	-	80,995	-	(80,995)	86,170	0.06%	5,175	0.00%	(80,995)
<b>Total Administrative Expenses</b>	<b>2,193,728</b>	<b>1,546,908</b>	<b>1,965,049</b>	<b>2,015,751</b>	<b>50,702</b>	<b>10,984,617</b>	<b>7.20%</b>	<b>11,115,519</b>	<b>7.52%</b>	<b>130,902</b>
<b>Net Income</b>	<b>1,461,174</b>	<b>1,858,351</b>	<b>1,625,835</b>	<b>3,504,682</b>	<b>(1,878,847)</b>	<b>10,481,952</b>	<b>6.87%</b>	<b>5,453,503</b>	<b>3.69%</b>	<b>5,028,449</b>

Gold Coast Health Plan  
 Premium Revenue Summary  
 31-Dec-11

Payment Month	Est. Premium	Membership Month																Net Receivable
		Jul-11		Aug-11		Sep-11		Sep HYDE Pmt.	Oct-11		Nov-11		Dec-11		Dec HYDE Pmt.	Tot. Premium	Tot. Members	
		Premium	Members	Premium	Members	Premium	Members		Premium	Members	Premium	Members	Premium	Members				
Jul-11	26,090,107	(24,558,575)	98,436	(627,796)	3,597	(396,514)	2,202	(56,473.53)	(216,723)	864	(84,440)	304	(60,505)	182	(800.08)	26,001,827	105,585	193,864
Aug-11	26,115,323			(24,369,043)	97,249	(762,989)	4,238	(54,625.90)	(486,976)	2,487	(243,069)	913	(72,895)	335	(2,372.50)	25,991,970	105,222	228,575
Sep-11	26,073,119					(24,378,798)	96,986	(51,646.77)	(805,057)	4,484	(475,374)	2,409	(213,440)	905	(5,072.77)	25,929,389	104,784	248,514
Oct-11	26,130,029								(24,457,947)	97,060	(812,285)	4,559	(466,024)	2,383	(56,204.16)	25,792,460	104,002	441,571
Nov-11	25,827,998										(24,518,766)	97,055	(715,580)	4,119	(54,378.43)	25,288,725	101,174	640,447
Dec-11	25,404,654												(24,484,528)	96,976	(51,628.52)	24,536,156	96,976	965,473
Jan-12																		-
Feb-12																		-
Mar-12																		-
Apr-12																		-
May-12																		-
Jun-12																		-
<b>Check Amount</b>	<b>155,641,229</b>	<b>(24,558,575)</b>	<b>98,436.00</b>	<b>(24,996,839)</b>	<b>100,846.00</b>	<b>(25,538,300)</b>	<b>103,426.00</b>	<b>(162,746.20)</b>	<b>(25,966,704)</b>	<b>104,895.00</b>	<b>(26,133,936)</b>	<b>105,240.00</b>	<b>(26,012,972)</b>	<b>104,900.00</b>	<b>(170,456.46)</b>	<b>153,540,528</b>	<b>617,743</b>	<b>2,718,444</b>

**Gold Coast Health Plan  
Income Statement  
Current Month vs. Prior Month**

	<u>NOV 2011</u>	<u>DEC 2011</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)
<b>Members (Member/Months)</b>	<u>101,174</u>	<u>101,243</u>	<u>69</u>	
<b>Revenues</b>				
Premium	26,051,388	26,543,927	492,540	1.89%
Reserve for Retro-Active Rate Reduction	(557,959)	(560,056)	(2,098)	0.38%
Interest Income	15,968	16,814	846	5.30%
Miscellaneous Income	38,333	38,333	-	0.00%
<b>Total Revenues</b>	<u>25,547,730</u>	<u>26,039,018</u>	<u>491,288</u>	<u>1.92%</u>
MCO Tax	601,035	598,144	(2,892)	-0.48%
<b>Net Revenue</b>	<u>24,946,694</u>	<u>25,440,875</u>	<u>494,180</u>	<u>1.98%</u>
<b>Cost of Health Care</b>				
<u>Capitation</u>	637,089	646,596	(9,507)	-1.49%
<u>Claims</u> Inpatient	10,902,069	10,912,454	(10,385)	-0.10%

**Gold Coast Health Plan  
Income Statement  
Current Month vs. Prior Month**

	<u>NOV 2011</u>	<u>DEC 2011</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)
Outpatient	2,921,288	2,911,739	9,549	0.33%
Professional	2,222,405	2,224,523	(2,118)	-0.10%
Pharmacy	2,913,958	3,217,573	(303,615)	-10.42%
Reinsurance	92,928	92,131	797	0.86%
Other	1,851,697	1,844,975	6,722	0.36%
<u>Total Claims</u>	<u>20,904,345</u>	<u>21,203,395</u>	<u>(299,050)</u>	<u>-1.43%</u>
<b>Total Cost of Health Care</b>	<b>21,541,434</b>	<b>21,849,991</b>	<b>(308,557)</b>	<b>-1.43%</b>

**Administrative Expenses**

Total Salaries Benefits and Compensation	367,354	415,981	(48,627)	-13.24%
Total Travel and Training	2,106	1,310	795	37.78%
Outside Service - ACS	949,656	948,203	1,453	0.15%
Outside Service - CQS	191,197	191,152	45	0.02%
Outside Service - RGS	9,261	9,261	-	0.00%
Outside Service - Script Care	219,964	238,533	(18,569)	-8.44%
Outside Services - Other	770	37,906	(37,136)	-4822.82%
Accounting & Actuarial Services	2,438	-	2,438	100.00%
Legal Expense	3,948	-	3,948	100.00%
Insurance	2,959	2,959	-	0.00%
Lease Expense -Office	13,040	13,040	-	0.00%
Consulting Services Expense	2,733	2,640	93	3.40%



**Gold Coast Health Plan  
Income Statement  
Current Month vs. Prior Month**

	<u>NOV 2011</u>	<u>DEC 2011</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)
Translation Services	1,440	15	1,425	98.96%
Advertising and Promotion Expense	13,226	406	12,820	96.93%
General Office Expenses	53,313	19,174	34,139	64.04%
Depreciation & Amortization Expense	1,461	1,461	-	0.00%
Printing Expense	(139,357)	2,014	(141,371)	101.45%
Shipping & Postage Expense	(148,599)	-	(148,599)	100.00%
Interest Exp	-	80,995	(80,995)	-100.00%
<b>Total Administrative Expenses</b>	<u>1,546,908</u>	<u>1,965,049</u>	<u>(418,140)</u>	<u>-27.03%</u>
<b>Net Income</b>	<u>1,858,351</u>	<u>1,625,835</u>	<u>(232,517)</u>	<u>-12.51%</u>

**Gold Coast Health Plan  
General Office Expense  
Period Ended December 31, 2011**

	<u>NOV 2011</u>	<u>DEC 2011</u>
Commission Fees	-	-
Committee/Advisory	1,275	500
Non-Capital - Furniture & Equip.	1,507	1,507
Non-Capital Equipment - Computer	-	-
Software Licenses	16,691	7,699
Repairs & Maintenance	2,684	35
Telephone Services/ Internet Charges	647	2,116
Utilities	-	-
Lease Expense -Equipment	-	-
Office & Operating Supplies	9,518	1,665
Bank Service Fees Expense	-	-
Bad Debt Expense	-	-
EE Recruitment	6,922	3,073
Prof Dues, Fees and Licenses	12,689	1,199
Subscriptions and Publications	1,381	1,381
Charitable Contributions and Donations	-	-
General Office Expenses	<u>53,313</u>	<u>19,174</u>

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2011 - June 30, 2012**  
*Reforecasted P & L - 01.13.2012*

DRAFT - December Prelim

	Actual						Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	6+6 Total	Approved 3+9	Var Fav/(Unfav)	% Change
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11										
<b>Member Months</b>	<b>102,033</b>	<b>101,487</b>	<b>101,470</b>	<b>101,619</b>	<b>101,264</b>	<b>101,243</b>	<b>101,268</b>	<b>101,294</b>	<b>101,319</b>	<b>101,344</b>	<b>101,370</b>	<b>101,395</b>	<b>1,217,106</b>	<b>1,220,476</b>	<b>(3,370)</b>	<b>-0.3%</b>
Average Membership													101,425	101,706	(281)	-0.3%
<b>Revenue</b>																
Premium	25,231,919	25,578,699	25,934,155	26,300,397	26,051,388	26,543,927	24,753,666	24,759,855	24,766,045	24,772,236	24,778,429	24,784,624	304,255,340	297,646,272	6,609,067	2.2%
Reserve for Retro Rate Decrease	-	-	(1,658,225)	(556,951)	(557,959)	(560,056)							(3,333,191)	(1,658,225)	(1,674,966)	101.0%
<b>Adjusted Revenue</b>	<b>25,231,919</b>	<b>25,578,699</b>	<b>24,275,931</b>	<b>25,743,446</b>	<b>25,493,429</b>	<b>25,983,871</b>	<b>24,753,666</b>	<b>24,759,855</b>	<b>24,766,045</b>	<b>24,772,236</b>	<b>24,778,429</b>	<b>24,784,624</b>	<b>300,922,149</b>	<b>295,988,047</b>	<b>4,934,102</b>	<b>1.7%</b>
Interest Income	-	5,816	11,251	15,348	15,968	16,814	14,852	14,856	14,860	14,863	14,867	14,871	154,365	150,684	3,681	2.4%
Other Income	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	38,333	459,998	459,996	2	0.0%
<b>Total Gross Revenue</b>	<b>25,270,252</b>	<b>25,622,849</b>	<b>24,325,515</b>	<b>25,797,127</b>	<b>25,547,730</b>	<b>26,039,018</b>	<b>24,806,851</b>	<b>24,813,044</b>	<b>24,819,237</b>	<b>24,825,432</b>	<b>24,831,629</b>	<b>24,837,828</b>	<b>301,536,512</b>	<b>296,598,728</b>	<b>4,937,785</b>	<b>1.7%</b>
MCO Tax	591,954	587,426	585,154	597,129	601,035	598,144	569,334	569,477	569,619	569,761	569,904	570,046	6,978,984	6,844,898	134,086	2.0%
<b>Net Revenue</b>	<b>24,678,298</b>	<b>25,035,423</b>	<b>23,740,361</b>	<b>25,199,998</b>	<b>24,946,694</b>	<b>25,440,875</b>	<b>24,237,517</b>	<b>24,243,567</b>	<b>24,249,618</b>	<b>24,255,671</b>	<b>24,261,725</b>	<b>24,267,781</b>	<b>294,557,529</b>	<b>289,753,830</b>	<b>4,803,699</b>	<b>1.7%</b>
<b>Health Care Costs</b>																
<b>Capitation</b>	588,173	582,177	665,127	625,098	637,089	646,596	731,988	732,171	732,354	732,537	732,720	732,903	8,138,933	8,456,054	317,121	3.8%
<b>Claims</b>																
Inpatient	10,596,127	10,768,103	10,885,661	10,929,693	10,902,069	10,912,454	10,516,714	10,519,343	10,521,973	10,524,604	10,527,235	10,529,867	128,133,842	127,223,256	(910,586)	-0.7%
Outpatient	2,827,335	2,873,222	2,920,801	2,939,463	2,921,288	2,911,739	2,806,145	2,806,846	2,807,548	2,808,250	2,808,952	2,809,654	34,241,244	34,824,166	582,922	1.7%
Professional	2,160,039	2,195,217	2,219,060	2,228,037	2,222,405	2,224,523	2,143,850	2,144,386	2,144,922	2,145,458	2,145,995	2,146,531	26,120,424	25,955,036	(165,387)	-0.6%
Pharmacy	2,276,259	2,701,995	2,747,049	2,884,784	2,913,958	3,217,573	3,544,391	3,545,277	3,546,163	3,547,050	3,547,937	3,548,824	38,021,260	39,767,317	1,746,057	4.4%
Other	1,760,535	1,790,171	1,803,967	1,843,404	1,851,697	1,844,975	1,774,221	1,774,664	1,775,108	1,775,552	1,775,996	1,776,440	21,546,730	20,712,711	(834,019)	-4.0%
Reinsurance	92,850	92,353	92,338	94,616	92,928	92,131	92,154	92,177	92,200	92,223	92,246	92,269	1,110,487	1,110,633	146	0.0%
Reinsurance Recoveries																
<b>Total Claims</b>	<b>19,713,145</b>	<b>20,421,061</b>	<b>20,668,876</b>	<b>20,919,998</b>	<b>20,904,345</b>	<b>21,203,395</b>	<b>20,877,475</b>	<b>20,882,694</b>	<b>20,887,915</b>	<b>20,893,137</b>	<b>20,898,360</b>	<b>20,903,585</b>	<b>249,173,987</b>	<b>249,593,119</b>	<b>419,132</b>	<b>0.2%</b>
<b>Total Health Care Costs</b>	<b>20,301,317</b>	<b>21,003,238</b>	<b>21,334,003</b>	<b>21,545,096</b>	<b>21,541,434</b>	<b>21,849,991</b>	<b>21,609,463</b>	<b>21,614,865</b>	<b>21,620,269</b>	<b>21,625,674</b>	<b>21,631,080</b>	<b>21,636,488</b>	<b>257,312,920</b>	<b>258,049,173</b>	<b>736,253</b>	<b>0.3%</b>
<b>Administrative Expenses</b>	1,762,708	1,596,607	1,919,616	2,193,728	1,546,909	1,965,049	2,219,844	2,214,413	2,162,808	2,148,467	2,222,417	2,153,602	24,106,168	24,225,120	118,951	0.5%
<b>Net Income</b>	<b>2,614,273</b>	<b>2,435,577</b>	<b>486,741</b>	<b>1,461,174</b>	<b>1,858,351</b>	<b>1,625,835</b>	<b>408,210</b>	<b>414,289</b>	<b>466,541</b>	<b>481,530</b>	<b>408,228</b>	<b>477,691</b>	<b>13,138,440</b>	<b>7,479,537</b>	<b>5,658,903</b>	<b>75.7%</b>

**Gold Coast Health Plan**  
**Fiscal Year July 1, 2011 - June 30, 2012**  
*Reforecasted P & L - 01.13.2012*

DRAFT - December Prelim

	Actual															
	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>6+6 Total</u>	<u>Approved 3+9</u>	<u>Var Fav/(Unfav)</u>	<u>% Change</u>
<b>PMPM</b>																
<b>Revenue</b>																
Premium	247.29	252.04	239.24	253.33	251.75	256.65	244.44	244.44	244.44	244.44	244.44	244.44	247.24	242.52	4.73	1.9%
Interest Income	-	0.06	0.11	0.15												
Other Income	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.00	0.2%
<b>Total Gross Revenue</b>	<b>247.67</b>	<b>252.47</b>	<b>239.73</b>	<b>253.86</b>	<b>252.29</b>	<b>257.19</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>244.96</b>	<b>247.75</b>	<b>243.02</b>	<b>4.73</b>	<b>1.9%</b>
MCO Tax	5.80	5.79	5.77	5.88	5.94	5.91	5.62	5.62	5.62	5.62	5.62	5.62	5.73	5.61	0.13	2.2%
<b>Net Revenue</b>	<b>241.87</b>	<b>246.69</b>	<b>233.96</b>	<b>247.99</b>	<b>246.35</b>	<b>251.29</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>239.34</b>	<b>242.01</b>	<b>237.41</b>	<b>4.60</b>	<b>1.9%</b>
<b>Health Care Costs</b>																
<b>Capitation</b>	5.76	5.74	6.55	6.15	6.29	6.39	7.23	7.23	7.23	7.23	7.23	7.23	6.69	6.93	0.24	3.5%
<b>Claims</b>																
Inpatient	103.85	106.10	107.28	107.56	107.66	107.78	103.85	103.85	103.85	103.85	103.85	103.85	105.28	104.24	(1.04)	-1.0%
Outpatient	27.71	28.31	28.78	28.93	28.85	28.76	27.71	27.71	27.71	27.71	27.71	27.71	28.13	28.53	0.40	1.4%
Professional	21.17	21.63	21.87	21.93	21.95	21.97	21.17	21.17	21.17	21.17	21.17	21.17	21.46	21.27	(0.19)	-0.9%
Pharmacy	22.31	26.62	27.07	28.39	28.78	31.78	35.00	35.00	35.00	35.00	35.00	35.00	31.24	32.58	1.34	4.1%
Other	17.25	17.64	17.78	18.14	18.29	18.22	17.52	17.52	17.52	17.52	17.52	17.52	17.70	16.97	(0.73)	-4.3%
Reinsurance	0.91	0.91	0.91	0.91	0.92	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	(0.00)	-0.3%
Reinsurance Recoveries	-	-														
<b>Total Claims</b>	<b>193.20</b>	<b>201.22</b>	<b>203.69</b>	<b>205.87</b>	<b>206.43</b>	<b>209.43</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>206.16</b>	<b>204.73</b>	<b>204.50</b>	<b>(0.22)</b>	<b>-0.1%</b>
<b>Total Health Care Costs</b>	<b>198.97</b>	<b>206.95</b>	<b>210.25</b>	<b>212.02</b>	<b>212.73</b>	<b>215.82</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>213.39</b>	<b>211.41</b>	<b>211.43</b>	<b>0.02</b>	<b>0.0%</b>
<b>Administrative Expenses</b>	17.28	15.73	18.92	21.59	15.28	19.41	21.92	21.86	21.35	21.20	21.92	21.24	19.81	19.85	0.04	0.2%
<b>Net Income</b>	<b>25.62</b>	<b>24.00</b>	<b>4.80</b>	<b>14.38</b>	<b>18.35</b>	<b>16.06</b>	<b>4.03</b>	<b>4.09</b>	<b>4.60</b>	<b>4.75</b>	<b>4.03</b>	<b>4.71</b>	<b>10.79</b>	<b>6.13</b>	<b>4.67</b>	<b>76.1%</b>

**Gold Coast Health Plan  
Statement of Cash Flows  
Month Ended December 31, 2011**

Cash Flow From Operating Activities	
Collected Premium	\$0
Miscellaneous Income	16,814
<u>Paid Claims</u>	
Medical & Hospital Expenses	(22,030,108)
Pharmacy	(3,391,773)
Capitation	(637,089)
Reinsurance of Claims	-
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(3,375,310)
Repay Initial Net Liabilities	-
MCO Taxes Expense	-
Net Cash Provided by Operating Activities	(29,417,467)
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	-
Net Cash Provided by Investing/Financing	-
<b>Net Cash Flow</b>	<b><u>(29,417,467)</u></b>
Cash and Cash Equivalents (Beg. of Period)	61,098,266
Cash and Cash Equivalents (End of Period)	<u>31,680,799</u>
	<b><u>(29,417,467)</u></b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net (Loss) Income	1,625,835
Depreciation & Amortization	1,461
Decrease/(Increase) in Receivables	(25,855,748)
Decrease/(Increase) in Prepaids & Other Current Assets	(51,830)
(Decrease)/Increase in Payables	(1,491,013)
(Decrease)/Increase in LT Liabilities	(80,000)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	598,144
Changes in Claims and Capitation Payable	3,723,165
Changes in IBNR	(7,887,480)
	<u>(29,417,467)</u>
<b>Net Cash Flow from Operating Activities</b>	<b><u>(29,417,467)</u></b>

## Balance Sheet

	11/30/2011	12/31/2011	Change
Total Cash and Cash Equivalents	61,098,265.64	31,680,798.73	29,417,466.91
Medi-Cal Receivable	1,740,202.00	28,284,129.44	(26,543,927.44)
Provider Receivable	3,599,511.32	2,909,731.90	689,779.42
Other Receivables	21,188.15	22,788.15	(1,600.00)
Total Accounts Receivable	5,360,901.47	31,216,649.49	(25,855,748.02)
Total Prepaid Accounts	63,751.23	115,581.55	(51,830.32)
Total Other Current Assets	320,000.00	320,000.00	0.00
Total Current Assets	66,842,918.34	63,333,029.77	(25,907,578.34)
<b>Total Fixed Assets</b>	<b>80,334.69</b>	<b>78,874.06</b>	1,460.63
<b>Total Assets</b>	<b>66,923,253.03</b>	<b>63,411,903.83</b>	(25,906,117.71)
Incurred But Not Reported	26,485,936.00	18,598,456.00	(7,887,480.00)
Claims Payable	24,731,725.77	27,885,327.46	3,153,601.69
Capitation Payable	637,089.13	646,596.22	9,507.09
Payable to State	2,773,134.25	3,333,190.65	560,056.40
Accounts Payable	92,173.43	191,182.30	99,008.87
Accrued Expenses	0.00	0.00	0.00
Accrued Interest Payable	0.00	0.00	0.00
Accrued ACS	1,744,622.85	171,648.53	(1,572,974.32)
Accrued RGS	120,908.58	62,879.23	(58,029.35)
Accrued Scriptcare	0.00	0.00	0.00
Accrued CQS	0.00	0.00	0.00
Accrued Premium Tax	2,962,698.54	3,560,842.05	0.00
Current Portion of Long Term Debt	460,000.00	460,000.00	0.00
Accrued Payroll Expense	0.00	40,982.05	40,982.05
Other Current Liabilities	500,000.00	500,000.00	0.00
<b>Total Current Liabilities</b>	<b>60,508,288.55</b>	<b>55,451,104.49</b>	(5,098,166.11)
<u>Long-Term Liabilities</u>			
Other Long-term Liability	333,333.32	291,666.65	(41,666.67)
Advance - Long Term Debt	1,648,333.35	1,610,000.02	(38,333.33)
Notes Payable	0.00	0.00	0.00
<b>Total Long-Term Liabilities</b>	<b>1,981,666.67</b>	<b>1,901,666.67</b>	(80,000.00)
<b>Total Liabilities</b>	<b>62,489,955.22</b>	<b>57,352,771.16</b>	(5,137,184.06)
<b>Equity</b>			
<u>Retained Funds</u>			
Net Income Current Year	8,856,116.90	10,481,951.76	1,625,834.86
Retained Funds Prior Years	(4,422,819.09)	(4,422,819.09)	(4,422,819.09)
Total Retained Earnings	(4,422,819.09)	(4,422,819.09)	(4,422,819.09)
<b>Total Equity</b>	<b>4,433,297.81</b>	<b>6,059,132.67</b>	1,625,834.86
<b>Total Liabilities &amp; Equity</b>	<b>66,923,253.03</b>	<b>63,411,903.83</b>	<b>(3,511,349.20)</b>
	0.00	0.00	(29,417,466.91)

**Gold Coast Health Plan  
Statement of Cash Flows  
Six Months Ended December 31, 2011**

Cash Flow From Operating Activities	
Collected Premium	\$127,357,120
Miscellaneous Income	86,436
<u>Paid Claims</u>	
Medical & Hospital Expenses	(66,359,178)
Pharmacy	(13,880,350)
Capitation	(3,735,153)
Reinsurance of Claims	(465,086)
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(11,983,688)
Repay Initial Net Liabilities	-
MCO Taxes Expense	-
Net Cash Provided by Operating Activities	-
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	-
Net Cash Provided by Investing/Financing	-
<b>Net Cash Flow</b>	<b><u>31,020,101</u></b>
Cash and Cash Equivalents (Beg. of Period)	660,697
Cash and Cash Equivalents (End of Period)	<b><u>31,680,799</u></b>
	<b><u>31,020,101</u></b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net (Loss) Income	10,481,952
Depreciation & Amortization	8,764
Decrease/(Increase) in Receivables	(31,207,495)
Decrease/(Increase) in Prepaids & Other Current Assets	(395,455)
(Decrease)/Increase in Payables	(1,453,744)
(Decrease)/Increase in LT Liabilities	(438,333)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	3,560,842
Changes in Claims and Capitation Payable	31,865,114
Changes in IBNR	18,598,456
	<b><u>31,020,101</u></b>
<b>Net Cash Flow from Operating Activities</b>	<b><u>31,020,101</u></b>

<b>Balance Sheet</b>	6/30/2011	12/31/2011	Change
Total Cash and Cash Equivalents	660,697.45	31,680,798.73	(31,020,101.28)
Medi-Cal Receivable	0.00	28,284,129.44	(28,284,129.44)
Provider Receivable	0.00	2,909,731.90	(2,909,731.90)
Other Receivables	9,154.68	22,788.15	(13,633.47)
Total Accounts Receivable	9,154.68	31,216,649.49	(31,207,494.81)
Total Prepaid Accounts	40,126.76	115,581.55	(75,454.79)
Total Other Current Assets	0.00	320,000.00	(320,000.00)
Total Current Assets	709,978.89	63,333,029.77	(31,602,949.60)
<b>Total Fixed Assets</b>	<b>87,637.84</b>	<b>78,874.06</b>	8,763.78
<b>Total Assets</b>	<b>797,616.73</b>	<b>63,411,903.83</b>	(31,594,185.82)
Incurred But Not Reported	0.00	18,598,456.00	18,598,456.00
Claims Payable	0.00	27,885,327.46	27,885,327.46
Capitation Payable	0.00	646,596.22	646,596.22
Payable to the State	0.00	3,333,190.65	3,333,190.65
Accounts Payable	47,377.36	191,182.30	143,804.94
Accrued Expenses	201,553.00	0.00	(201,553.00)
Accrued Interest Payable	0.00	0.00	0.00
Accrued ACS	1,251,737.64	171,648.53	(1,080,089.11)
Accrued RGS	0.00	62,879.23	62,879.23
Accrued Scriptcare	0.00	0.00	0.00
Accrued CQS	78,125.16	0.00	(78,125.16)
Accrued Premium Tax	0.00	3,560,842.05	
Current Portion of Long Term Debt	0.00	460,000.00	460,000.00
Accrued Payroll Expense	1,301,642.66	40,982.05	(1,260,660.61)
Other Current Liabilities	0.00	500,000.00	500,000.00
<b>Total Current Liabilities</b>	<b>2,880,435.82</b>	<b>55,451,104.49</b>	(1,453,743.71)
<u>Long-Term Liabilities</u>			
Other Long-term Liability	500,000.00	291,666.65	(208,333.35)
Advance - Long Term Debt	1,840,000.00	1,610,000.02	(229,999.98)
Notes Payable	0.00	0.00	0.00
<b>Total Long-Term Liabilities</b>	<b>2,340,000.00</b>	<b>1,901,666.67</b>	(438,333.33)
<b>Total Liabilities</b>	<b>5,220,435.82</b>	<b>57,352,771.16</b>	52,132,335.34
<b>Equity</b>			
<u>Retained Earnings</u>			
Net Income Current Year	(4,422,819.09)	10,481,951.76	14,904,770.85
Retained Earnings Prior Years	0.00	(4,422,819.09)	(4,422,819.09)
Total Retained Earnings	0.00	(4,422,819.09)	(4,422,819.09)
<b>Total Equity</b>	<b>(4,422,819.09)</b>	<b>6,059,132.67</b>	10,481,951.76
<b>Total Liabilities &amp; Equity</b>	<b>797,616.73</b>	<b>63,411,903.83</b>	<b>62,614,287.10</b>
	0.00	0.00	31,020,101.28



**GCHP Capitation Rate Change  
December, 2011**

<u>Aid Category</u>	<u>Average Enrollment</u>	<u>Old Cap Rate</u>	<u>New Cap Rate</u>	<u>Avg. Monthly Cap Reduction</u>
Adult/Family	74,443	131.64	130.34	\$ (96,775.90)
Aged - Medi-cal	1,286	521.14	520.99	(192.90)
Disabled - Medi-Cal	7,783	832.79	826.55	(48,565.92)
Long Term Care - Medi-Cal	71	7027.51	6732.03	(20,979.08)
Aged - Dual	9,130	233.69	224.19	(86,735.00)
Disabled - Dual	7,390	197.32	189.36	(58,824.40)
Long Term Care - Dual	890	4494.06	4216.68	(246,868.20)
BCCTP	250	1062.47	1058.01	(1,115.00)
Abortion (Family/Adult Only)				
<b>Total</b>	<b>101,243</b>			<b>\$ (560,056.40)</b>

**GCHP MCO Tax Calculation  
December, 2011**

Medical Premium	\$ 25,971,110.14
Healthy Family Premium	41,861.52
	<u>26,012,971.66</u>
Less:	
AB97 Medi-Cal provider rate cuts	(560,056.40)
Net Premium	25,452,915.26
Tax Rate	<u>2.35%</u>
Estimated MCO Tax	<b>\$ 598,143.51</b>



**AGENDA ITEM 4-B**

To: Ventura County Medi-Cal Managed Care Commission

From: Earl Greenia, CEO

Date: January 23, 2012

Re: Pharmacy & Therapeutics Committee

**Recommendation:** Management requests that the Commission add Suhad Niazi, M.D to the Pharmacy & Therapeutics Committee.

**Background:** Chaired by the Chief Medical Officer, the committee includes physicians from various disciplines and specialties. Participants are bound by confidentiality and conflict of interest rules. The current membership is:

1. David Araujo, M.D., Family Medicine. Director, VCMC Family Medicine Residency Program since 2009
2. Ravi Bajwa, M.P.H., M.D., (Pulmonary Medicine), on staff at VCMC.
3. Melody Benjamin, M.D., Oncology/Hematology. BS in Pharmacy. VCMC Attending staff since January 2010.
4. Daniel Clark, M.D. (Cardiology), Director of Medicine and Cardiology, VCMC since 1993. Clinical Professor of Family Medicine, UCLA.
5. Laura Feeney, Pharm.D., Clinical Pharmacist, Clinicas del Camino Real since 2009
6. John Ford, M.D., Family Medicine. Various assignments in the VCMC system since 1983, including staff physician in various clinics, Co-Director and Medical Director, and private practice with Rose Avenue Family Medical Group since 1994.
7. Robert Fuladi, Pharm. D., Vice President, Clinical Pharmacist for Coastal Pharmaceutical Services Corporation since 2006. Vice President, Pharmacy Manager for Mission Health Care Pharmacy Corporation since 2000. Holds a Bachelor of Science from Massachusetts College of Pharmacy and a Doctor of Pharmacy from the University of Kansas. \*
8. Gary Nishida, M.D. (OB/Gyn), In private practice in Oxnard since 1984.
9. Duane Pearson, M.D., Rheumatology. Medical Director, VCMC Medical Specialty Clinics since 2008.
10. Albert Reeves, M.D., Family Medicine. Also holds Pharm.D. from UCSF; Medical Director for Ventura County Health Care Plan since 2009. In private practice in Camarillo since 1978.
11. Gail Simpson, M.D., Infectious Disease. B.A. in Pharmacology. Medical Director of VC Adult Day Care Center since 2005. Associate Clinical Professor of Medicine/Infectious Diseases, UCLA.
12. Celia Woods, M.D., Psychiatry. Staff Psychiatrist for VC Behavioral Health since 2007 and Director since 2009.
13. Pari Young, M.A., M.D. (Neurology), Las Posas Family Medicine Group.

**Discussion:** Dr. Niazi earned an MD degree from the Medical College of Wisconsin (2000), currently practices as a pediatrician at the VCMC Pediatric Diagnostic Center, is a CCS Consultant and holds a faculty appointment in Family Medicine at UCLA.



**AGENDA ITEM 4-D**

To: Ventura County Medi-Cal Managed Care Commission

From: Earl Greenia, CEO

Date: January 23, 2012

Re: Expiring Commission Appointments

The appoint terms of four Commissioners will expire in March:

- Lanyard Dial (Ventura County Medical Association nominee)
- Rick Jarvis (Hospital Association of Southern California nominee)
- Kathy Long (Board of Supervisors)
- Catherine Rodriguez (Ventura County Medical Center Health System Representative)

Relevant sections of the enabling ordinance are highlighted below:

1381. Board of Directors (Commission)

1381-1. The governing board of the Ventura County Medi-Cal Managed Care Commission shall consist of eleven (11) voting members who shall be legal residents of the County of Ventura. Members of the Ventura County Medi-Cal Managed Care Commission shall possess the requisite skills and knowledge necessary to design and operate a publicly managed health care delivery system.

1381-2. Members of the Ventura County Medi-Cal Managed Care Commission shall be appointed by a majority vote of the Board of Supervisors and shall consist of the following:

- a. Three members shall be practicing physicians who serve a significant number of Medi-Cal beneficiaries in Ventura County. One shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Association, one shall be selected from a list with a minimum of three (3) nominees submitted by Clinicas Del Camino Real and one shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Center Executive Committee. (Physician Representatives)
- b. Two members shall be representatives of private hospitals and healthcare systems operating within Ventura County and shall be selected from a list with a minimum of three (3) nominees submitted by the Hospital Association of Southern California. Nominees shall be from different hospitals and healthcare systems. The two appointed members shall not be affiliated with the same hospital or healthcare system. (Private Hospital/Healthcare System Representatives)
- c. One member shall be a representative of the Ventura County Medical Center Health System and shall be selected from a list with a minimum of three (3) nominees submitted by the Ventura County Medical Center administration. (Ventura County Medical Center Health System Representative)

d. One member shall be a member of the Board of Supervisors, nominated and selected by the Board. (Public Representative)

e. One member shall be the chief executive officer of Clinicas del Camino Real or designee nominated by the Clinicas del Camino Real chief executive officer and approved by the Ventura County Board of Supervisors. (Clinicas Del Camino Real Representative)

f. One member shall be the Ventura County Health Care Agency Director or designee nominated by the Health Care Agency Director and approved by the Ventura County Board of Supervisors. (County Official)

g. One member shall be a Medi-Cal beneficiary and/or a representative of an advocacy organization that serves the Medi-Cal population and is not otherwise represented on the Ventura County Medi-Cal Managed Care Commission. This member shall be appointed from applications submitted to the Ventura County Executive Office after a posting of public notice for the open position. (Consumer Representative)

h. One member shall be the Ventura County Medical Center Family Medicine Residency Program Director or Faculty Designee and approved by the Board of Supervisors. (Ventura County Medical Center Health System Representative)

1381-3. In order to stagger terms with the intent of maintaining experienced members, in the initial cycle of appointments, the following appointees shall serve two-year terms: One of the Ventura County Medical Center Health System Representatives, the Physician Representative nominated by the Ventura County Medical Association, the Public Representative, and one Private Hospital/Healthcare System Representative. All other initial appointments and all subsequent appointments to the Ventura County Medi-Cal Managed Care Commission shall be for four-year terms. No member may serve more than two consecutive four-year terms. Any vacancy will be filled by the Board of Supervisors for the remainder of the unexpired term and shall maintain the balance of representation on the Ventura County Medi-Cal Managed Care Commission.

Nominations to the Ventura County Medi-Cal Managed Care Commission shall be submitted to the Ventura County Executive Office, which shall be responsible for screening nominees and presenting candidates to the Ventura County Board of Supervisors. Appointments will be based on the individuals' knowledge of the healthcare needs of women, children, seniors, and/or the disabled, and business, finance and/or political experience.



# 2012 Meeting Schedule

Black - No Meeting Scheduled  
 Commission Meeting (4<sup>th</sup> Monday of the Month) \*  
 Executive Finance Committee Meeting (Tuesday before Commission) \*

\*With exception of May and November due to Holidays

**JANUARY**

S	M	T	W	T	F	S
	1	2	3	4	5	6
	7	8	9	10	11	12
	13	14	15	16	17	18
	19	20	21	22	23	24
	25	26	27	28	29	30
	31					

**FEBRUARY**

S	M	T	W	T	F	S
			1	2	3	4
	5	6	7	8	9	10
	11	12	13	14	15	16
	17	18	19	20	21	22
	23	24	25	26	27	28
	29					

**MARCH**

S	M	T	W	T	F	S
				1	2	3
	4	5	6	7	8	9
	10	11	12	13	14	15
	16	17	18	19	20	21
	22	23	24	25	26	27
	28	29	30	31		

**APRIL**

S	M	T	W	T	F	S
	1	2	3	4	5	6
	7	8	9	10	11	12
	13	14	15	16	17	18
	19	20	21	22	23	24
	25	26	27	28	29	30

**MAY**

S	M	T	W	T	F	S
			1	2	3	4
	5	6	7	8	9	10
	11	12	13	14	15	16
	17	18	19	20	21	22
	23	24	25	26	27	28
	29	30	31			

**JUNE**

S	M	T	W	T	F	S
					1	2
	3	4	5	6	7	8
	9	10	11	12	13	14
	15	16	17	18	19	20
	21	22	23	24	25	26
	27	28	29	30		

**JULY**

S	M	T	W	T	F	S
	1	2	3	4	5	6
	7	8	9	10	11	12
	13	14	15	16	17	18
	19	20	21	22	23	24
	25	26	27	28	29	30
	31					

**AUGUST**

S	M	T	W	T	F	S
					1	2
	3	4	5	6	7	8
	9	10	11	12	13	14
	15	16	17	18	19	20
	21	22	23	24	25	26
	27	28	29	30	31	

**SEPTEMBER**

S	M	T	W	T	F	S
						1
	2	3	4	5	6	7
	8	9	10	11	12	13
	14	15	16	17	18	19
	20	21	22	23	24	25
	26	27	28	29	30	

**OCTOBER**

S	M	T	W	T	F	S
			1	2	3	4
	5	6	7	8	9	10
	11	12	13	14	15	16
	17	18	19	20	21	22
	23	24	25	26	27	28
	29	30	31			

**NOVEMBER**

S	M	T	W	T	F	S
					1	2
	3	4	5	6	7	8
	9	10	11	12	13	14
	15	16	17	18	19	20
	21	22	23	24	25	26
	27	28	29	30		

**DECEMBER**

S	M	T	W	T	F	S
						1
	2	3	4	5	6	7
	8	9	10	11	12	13
	14	15	16	17	18	19
	20	21	22	23	24	25
	26	27	28	29	30	31

Meetings begin at 3:00 p.m. (except the March and October Commission Meetings which begin at 6:00 p.m.).