Gold Coast Health Plan℠
A Public Entity

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

**County of Ventura Government Center**
Hall of Administration – Lower Plaza Assembly Room
800 S. Victoria Avenue, Ventura, CA 93009

**Monday, October 26, 2015**

## CANCELLED DUE TO LACK OF QUORUM

Please note that the Monday, October 26, 2015 Commission Meeting has been cancelled

## CALL TO ORDER / ROLL CALL

**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 September 28, 2015

**2. CONSENT ITEMS**

a. Financials – July and August 2015

**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 (GCHP) October 26, 2015 Commission Meeting Agenda *(continued)***
**LOCATION:** County of Ventura Government Center - Hall of Administration – Lower Plaza Assembly Room
800 S. Victoria Avenue, Ventura, CA 93009
**TIME:** 3:00 p.m.

## 3. APPROVAL ITEMS

a. 2016 Commission Meeting Calendar

## 4. ACCEPT AND FILE ITEMS

a. CEO Update
b. CFO Update
c. COO Update
d. CIO Update
e. CMO / Health Services Update

## 5. INFORMATIONAL ITEMS

a. Human Resources Cultural Diversity Committee Update

## COMMENTS FROM COMMISSIONERS

## CLOSED SESSION

**a. Conference with Real Property Negotiators**
**Pursuant to Government Code Section 54956.8**
**Property:** 770 Paseo Camarillo and 711 E. Daily Drive, Camarillo, California
**Agency Negotiators:** Scott Campbell, legal counsel; Dale Villani, CEO; Ruth Watson, COO; William G. Kiefer, Executive Vice President NAI Capital, Inc.
**Negotiating Parties:** 770 Paseo Camarillo, LP and 711 Building, LLC
**Under Negotiation:** Price and Term of Payment

**b. Public Employee Performance Evaluation**
**Pursuant to Government Code Section 54957**
**Title:** Chief Executive Officer

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

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**Ventura County Medi-Cal Managed Care Commission (VCMMCC)**
**dba Gold Coast Health Plan (GCHP) October 26, 2015 Commission Meeting Agenda *(continued)***
**LOCATION:** County of Ventura Government Center - Hall of Administration – Lower Plaza Assembly Room
800 S. Victoria Avenue, Ventura, CA 93009
**TIME:** 3:00 p.m.

## RETURN TO OPEN SESSION

Announcements, if any

**3. APPROVAL ITEMS** *(Continued)*

b. Lease for 770 Paseo Camarillo, California 93010

c. Lease Extension for 711 E. Daily Drive, Camarillo, California 93010

## ADJOURNMENT

Unless otherwise determined by the Commission, the next regular meeting of the Commission will be held on November 16, 2015 at 3:00 p.m. in the Hall of Justice - Pacific Conference Room at the County of Ventura Government Center, 800 S. Victoria Avenue, Ventura, CA

**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.**

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# Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) Commission Meeting Minutes
## September 28, 2015
*(Not official until approved)*

## CALL TO ORDER

Chair Araujo called the meeting to order at 3:02 p.m. Hall of Administration – Lower Plaza Assembly Room at the County of Ventura Government Center, 800 S. Victoria Avenue, Ventura, CA 93009.

The Pledge of Allegiance was recited.

## ROLL CALL

**COMMISSION MEMBERS IN ATTENDANCE**
**Antonio Alatorre**, Clinicas del Camino Real, Inc.
**David Araujo, MD**, Ventura County Medical Center Family Medicine Residency Program
**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

**EXCUSED / ABSENT COMMISSION MEMBERS**
**Lanyard Dial, MD**, Ventura County Medical Association
**Darren Lee**, Private Hospitals / Healthcare System
*Vacant,* Medi-Cal Beneficiary Advocate

**STAFF IN ATTENDANCE**
**Dale Villani,** Chief Executive Officer
**Patricia Mowlavi**, Chief Financial Officer
**Traci R. McGinley**, Clerk of the Board
**Scott Campbell**, Legal Counsel
**Brandy Armenta**, Compliance Officer / Director
**Susana Enriquez**, Public Relations Manager
**Anne Freese**, Pharmacy Director
**Jeffery Gauthier**, Facilities Manager
**Lupe Gonzalez**, Director of Health Education, Outreach, Cultural and Linguistic Services
**Steven Lalich**, Communications Director
**Vickie Lemmon**, Health Services Director
**Tami Lewis**, Operations Director
**Kim Osajda**, Quality Improvement Director
**Al Reeves, MD**, Chief Medical Officer
**Melissa Scrymgeour**, Chief Information Officer

**Lyndon Turner**, Financial Analysis Director
**Rodney Waiters**, Financial Analyst
**Ruth Watson,** Chief Operations Officer
**Nancy Wharfield, MD**, Associate Chief Medical Officer

## PUBLIC COMMENT

The following individuals expressed their pride in working for the Plan: GCHP Health Services Director, Vickie Lemmon; Senior Decision Support Services Analyst Ritchie Nojadera on behalf of Decision Support Services Manager Kris Schmidt; Financial Analyst Rodney Waiters on behalf of 68 employees of the Plan; and Sherri Bennett, a previous employee of GCHP.

## 1. APPROVE MINUTES

### a. Regular Meeting of August 24, 2015

Commissioner Fisher moved to approve the Regular Meeting Minutes of August 24, 2015. Commissioner Pupa seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | Foy |
| ABSENT: | Dial and Lee. |

## 2. APPROVAL ITEMS

### a. Appointment to Consumer Advisory Committee (CAC)

COO Watson reviewed the report with the Commission.

Commissioner Foy moved to approve the appointments to the Consumer Advisory Committee. Commissioner Fisher seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

### b. Appointment to Provider Advisory Committee (PAC)

COO Watson reviewed the report with the Commission.

Commissioner Foy moved to approve the appointments to the Provider Advisory Committee. Commissioner Alatorre seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

### c. Department of Health Care Services (DHCS) Contract Amendment (Number to be determined)

CEO Villani reviewed the report with the Commission explaining that the amendment extends the length of the contract for six months, to December 31, 2015.

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

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

### d. Adoption of Audit Committee Charter

CEO Villani stressed the importance of having an internal auditor as well as checks and balances to monitor performances, risk assessments and controls within GCHP. He added that CFO Mowlavi identified a consultant with the knowledge and experience to assist GCHP in identifying and putting those controls into place. CFO Mowlavi briefly reviewed her report before introducing Marty Haisma of Etonien Financial Consultants.

Marty Haisma was present to answer any questions. Provided an overview of his background in auditing and accounting, establishing levels of internal controls and reviewing corporate governance and policies.

Commissioner Glyer requested clarification regarding the Committee's $500,000 purchasing authority. CFO Mowlavi explained that the $500,000 per fiscal year would encompass anything needed to give the Committee adequate financial ability to contract with external auditors and if needed, any services for investigations.

With regard to GCHP's contracting threshold policy, Chair Araujo and Commissioner Alatorre asked if the Plan had obtained three bids or if anyone else had been considered for the consulting services. CEO Villani explained that the consulting services were to assist the Plan to establish and set up the policies, procedures and infrastructure. The internal auditor would be a GCHP employee. CFO Mowlavi confirmed that the contract was under the $50,000 threshold.

In response to questions from Chair Araujo, CEO Villani and CFO Mowlavi explained that the internal auditor was a new position which was approved in the FY 2015-16 budget as a Risk Manager therefore the position will be Risk Manager / Internal Auditor.

Chair Araujo asked if the Commission wished to change the Committee's purchasing threshold. Commissioner Glyer noted that he was comfortable with the figure after obtaining the answers to his questions and the fact that it is a subcommittee of the Commission.

Commissioner Foy moved to adopt the Audit Committee Charter. Commissioner Glyer seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

**e. <u>Adoption of a Cultural Diversity Program, Including the Creation of an Human Resources, Cultural Diversity Subcommittee to Among Other Things, Initiate a Diversity Intervention Project, a Cultural Diversity Hotline and Potential Agreement with the Ventura County Human Resources Division or a Third Party to Facilitate the Initiation of the Diversity Intervention Project</u>**

As a preliminary matter, Legal Counsel Campbell explained that Best Best and Krieger and County Counsel agreed that current members of the Commission are allowed under the Conflict of Interest rules, to participate in the consideration of a contract with the County's Human Resources Department for implementation of a diversity program.

Legal Counsel Campbell reviewed the staff report, reported that the County had introduced an ordinance that if adopted would substitute the Ventura County Medical Center Family Medicine Director position, currently held by Dr. Araujo, for a position to be nominated by the County. The County has indicated that the person that will be appointed at this time is Shawn Atin, Ventura County Human Resources Director. The Ordinance will also establish a Chief Diversity Officer which would report to the Commission. That Officer would have the ability to take disciplinary action for violation of the Diversity Program that will be developed by the Human Resources Cultural Diversity Committee. That Committee, which the Commission was in the process of establishing based in part on the recommendations that came out of the recent internal investigation handled by the Special Investigation Ad Hoc Committee, is on the agenda for approval. The item for Commission consideration is the establishment of the Human Resources Cultural Diversity Committee and appointments thereto.

Shawn Atin, Ventura County Human Resources Director, spoke in favor of the establishment of a Cultural Diversity Program.

Commissioner Foy asked how Mr. Atin could be appointed to the ad hoc committee prior to the official appointment to the Commission. Legal Counsel Campbell explained that Mr. Atin could serve in an advisory role in the interim.

CEO Villani added that some of the recommendations align with the directives previously laid out to the Commission. One of the most important items is having a Senior Director of Human Resources. That position has been filled and will be on staff by November 2, 2015 and will work closely with the Chief Diversity Officer.

CEO Villani reported on the following areas: 1) GCHP contracts with NAVEX Global for the Fraud Waste and Abuse hotline and the Cultural Diversity hotline can be added to

their services for approximately $2,000 per year. 2) GCHP is in the process of contracting for diversity training. 3) As part of an annual employee survey, questions will be asked to ensure GCHP obtains the information needed from the surveys.

Commissioner Glyer raised a concern that the Chief Diversity Officer would have the ability to bypass the CEO and take independent disciplinary action against employees. Commissioner Foy stated that the County CEO had explained it as a cooperative situation.

CEO Villani added that he hoped that the Commission and the subcommittee would always ask for input by the CEO regarding any action brought forward.

Commissioner Glyer stated that the ordinance should not be adopted as worded. Commissioner Foy agreed

Commissioner Foy moved to establish the Human Resources Cultural Diversity Committee. Commissioner Glyer seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

Commissioner Foy moved that the Human Resources Cultural Diversity Committee be comprised of three Commission Members. Commissioner Pupa seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

Commissioner Fisher nominated Shawn Atin, contingent upon appointment to the Commission by the Ventura County Board of Supervisors. Commissioner Foy nominated Commissioner Glyer. Commissioner Pawar nominated Commissioner Alatorre. Chair Araujo suggested consideration of Commissioner Lee.

Commissioner Foy moved to appoint Shawn Atin, Commissioner Glyer and Commissioner Alatorre to the Human Resources Cultural Diversity Committee. Commissioner Glyer seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

Discussion was held regarding the Diversity hotline

Commissioner Fisher asked if the Committee would receive a report regarding the calls to the hotline. CEO Villani responded that the Chief Diversity Officer would review the calls, and the routing of the call information and the frequency of those reports would have to be determined. In response to Commissioner Fisher's question, Legal Counsel Campbell explained that discussion regarding the specific calls would not necessarily be handled in Closed Session of the Human Resources Cultural Diversity Committee.

Chair Araujo asked about contracting with the County. Legal Counsel Campbell responded that there were four options for the Commission: 1) Contract with the County of Ventura for the function; 2) Contract with a third party vendor to assist in establishing a diversity program; 3) It could be kept internally with Ms. Hewlitt, Legal Counsel Ortiz and the Human Resources Cultural Diversity Committee; and 4) The Commission could wait until a Chief Diversity Officer is hired.

Commissioner Foy moved to direct CEO Villani to meet with the County of Ventura Human Resources Department and other potential vendors, do a comparison of the programs and costs and provide a recommendation to the Commission. Commissioner Fisher seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

## 3. ACCEPT AND FILE ITEMS

### a. CEO Update

CEO Villani reviewed his report with the Commission, additional material was provided to the Commission. He highlighted the upcoming strategic planning meeting with Jennifer Kent of DHCS and GCHP's consultant. Leadership will present the foundation, goals and recommended direction for 2015-16. GCHP's behavioral health provider, Beacon Health Strategies (Beacon), has been sent additional compliance notices. Beacon has been unable to provide specific reports needed and there are concerns that Beacon cannot process claims as per their contract. A request for information has been sent out to see if there are other potential vendors that could meet GCHP's performance standards because this is a risk to Plan.

Compliance Director Armenta added that, as reported at the last Commission Meeting, Beacon is on a financial sanction as a result of non-compliance with their Corrective Action Plan (CAP).

### a. CFO Update – June 2015 Financials

CFO Mowlavi updated the Commission on the external audit. McGladrey should complete the FY 2013-14 audit the following week. GCHP selected Moss Adams for the FY 2014-15 audit, upon McGladrey's decision to exit the Medi-Cal market. Moss Adams, specializes in Medi-Cal and handles 75% of Medi-Cal managed care plans in California. Moss Adams has completed as much pre-work as possible but cannot move forward until McGladrey issues FY 2013-14 audited financials. Moss Adams and GCHP are

working diligently to complete the audit by the due date to DHCS which is October 28, 2015.

CFO Mowlavi reported that GCHP will be paying ACA 1202 through the end of the calendar year. Approximately $361,000 of ACA 1202 payments are scheduled to go out the following week. There are coding issues with another set of providers for approximately $100,000 and letters will be going out to the providers that have not yet submitted their W-9's.

In response to questions from Commissioner Glyer, CFO Mowlavi explained that the June Financials contained audit entries recommended by McGladrey. Retroactive revenue was moved back to the affected year. Actual claim experience was recognized in FY 2013-14, allowing GCHP to rely less on the Incurred But Not Reported (IBNR) estimates. No future audit adjustments were anticipated.

CFO Mowlavi introduced the Financial Performance Dashboard which depicts past, current and future indicators for membership, revenue, key ratios, operating gain and tangible net equity. There were strong bottom line gains, over the past two fiscal years, as a result of Adult Expansion (AE), which strengthened tangible net equity. However, operating gains are expected to decline as a result of pressure on rates (DHCS reduced AE rates by 23% in July), increasing healthcare costs, benefits and new programs.

Commissioner Foy asked what would be done to protect the margin. CFO Mowlavi responded that GCHP is reviewing the cost of health care programs and the rate development template to maximize rates for GCHP.

CEO Villani added that GCHP is continuing to look at operating efficiencies and there are some larger contracts that GCHP believes could be done better.

COO Watson noted that GCHP built rate changes into the AE program with providers, and is able to change the rates should the rates from State go down.

Financial Analysis Director Turner added that the two years that had healthy net operating results are remarkable and will not likely repeat. This fiscal year is more typical of how the State builds rates.

Commissioner Pupa asked for an updated grid showing GCHP's TNE compared to other COHS in the State. CFO Mowlavi added that GCHP is developing policy around the TNE and will bring that to the Commission as well.

Commissioner Fisher asked if there had been any discussions with the State regarding lifting of the financial CAP due to the current TNE level and solid financial ground. COO Watson responded that the State is not only looking at sustainable financials, but also sustainable staffing at the executive level.

### c. COO Update

COO Watson presented the COO report highlighting membership, space expansion, claim turnaround time and grievances. October membership has not yet been received

by the State, but GCHP anticipates only marginal growth. GCHP is still negotiating for additional space in Daily Drive campus. GCHP has been working closely with Xerox regarding claim turnaround time and the call center to address issues caused by changes within Xerox as well as the increased membership.

Commissioner Foy asked if there were guarantees in the contract. COO Watson confirmed that guarantees were in the contract and GCHP did reduce the payment while the requirements were not being met.

COO Watson explained that the grievance charts would be updated to reflect balance billing as a member complaint and not as a member grievance. The number of member grievances received per 1,000 members was 0.04.

**d. CIO Update**

CIO Scrymgeour reviewed her report. The Plan is entering into a strategic pricing agreement with Insight for the purpose of Microsoft products, computing equipment and peripherals. The Plan is leveraging purchasing power through a provision in the California Public Contract Code by participating in a software cooperative agreement for enterprise Microsoft licensing as negotiated by the County of Riverside. Insight is a Microsoft certified value added reseller and was selected by the Plan due to their ability to warehouse and distribute purchased hardware product. CIO Scrymgeour highlighted the anticipated savings through this agreement, which is roughly 20% this fiscal year on budgeted software and hardware spend. In reviewing the projects, CIO Scrymgeour reported that some projects are being required to be pushed forward due to resource constraints

**e. CMO / Health Services Update**

CMO Dr. Reeves reviewed Associate Chief Medical Officer Dr. Wharfield's report. The Commission previously had questions regarding diagnoses. An overwhelming 50% of hospitalizations had to do with pregnancies. ER utilization went up but remains good compared to other plans. Authorizations have significantly increased due to membership levels. The number of members using behavioral health providers increased, GCHP believes it correlates with members learning of the benefit and PCP's are referring members.

Lupe Gonzalez, Director of Health Education, Outreach, Cultural and Linguistic Services reported on Outreach and Sponsorships.

**e. Compliance Update**

Compliance Officer / Director Armenta reviewed the Compliance Update, noting that GCHP is still under a financial Corrective Action Plan (CAP) from the State and continues to have monthly submission requirements.

The State previously conducted medical audits every three years, but are now conducted annually. Receipt of the final CAP from the annual medical audit from review period December 1, 2014 through November 30, 2014 has been delayed. GCHP is concerned that there will not be adequate time to implement changes identified in the CAP before the next scheduled audit. Working on a CAP and having an audit concurrently, the findings

would repeat as a result of the look back period. The State has verbally committed to ensuring adequate time is granted between the issuance of the CAP and the next scheduled audit so the Plan has time to implement changes identified by the audit.

GCHP is contractually obligated to actively monitor delegated functions provided by subcontractors. The Plan currently has two CAPs open for the Managed Behavioral Healthcare Organization (MBHO) and the specialty contract. GCHP is working with each delegate to ensure successful closure of the CAP once compliance is achieved. If a delegate cannot meet contractual /regulatory requirements the State will want to know what actions have been taken by the Plan and if the delegate continues to not comply, why is the Plan continuing to delegate the function(s). The Plan remains vigilant and continues to enforce the robust oversight program.

Commissioner Foy moved to accept and file the CEO, CFO (June 2015 Financials), COO, CIO, CMO / Health Services and Compliance Updates. Commissioner Fisher seconded. The motion carried with the following votes:

| | |
|---|---|
| AYE: | Alatorre, Araujo, Fisher, Foy, Glyer, Laba, Pawar and Pupa. |
| NAY: | None. |
| ABSTAIN: | None. |
| ABSENT: | Dial and Lee. |

## COMMENTS FROM COMMISSIONERS

Chair Araujo expressed his appreciation that employees of the Plan came forward in support of the Plan.

Commissioner Foy added that the Commission believes in the organization and that one or two people do not define an organization.

Commissioner Pupa thanked GCHP staff for speaking with the Commission.

## CLOSED SESSION

Legal Counsel Campbell explained the purposes of the Closed Session Items.

## CLOSED SESSION

The Commission adjourned to Closed Session at 5:09 p.m. regarding the following items

a. **Public Employee Performance Evaluation**
**Pursuant to Government Code Section 54957**
**Title:** Chief Executive Officer

b. **Conference with Legal Counsel** - Existing Litigation
**Pursuant to Government Code Section 54956.9**

c. **Conference With Legal Counsel** – Anticipated Litigation

**Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9**
**Number of Cases:** 3

## RETURN TO OPEN SESSION

The Regular Meeting reconvened at 6:25 p.m.

Legal Counsel Campbell announced that no reportable action was taken in Closed Session.

## ADJOURNMENT

Meeting adjourned at 6:26 p.m.

Gold Coast Health Plan℠
A Public Entity

**AGENDA ITEM 2.a.**

TO: Gold Coast Health Plan Commission

FROM: Patricia Mowlavi, CFO

DATE: October 26, 2015

RE: Financials - July and August 2015

## SUMMARY:

Staff is presenting the attached July and August 2015 financial statements (unaudited) of Gold Coast Health Plan (Plan) for the Commission to accept and file. These financials were reviewed by the Executive / Finance Committee on October 8, 2015 where the Committee recommended that the Commission accept and file these financials.

## BACKGROUND / DISCUSSION:

The Plan staff has prepared the July and August 2015 financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

## FISCAL IMPACT:

### Financial Highlights

Overall Performance – For the two months ending August 31, 2015, the Plan's gain in unrestricted net assets was approximately $6.6 million compared to the $2.4 million budget. The favorable variance was driven by strong Adult Expansion (AE) membership growth, lower than anticipated health care and administrative costs.

Tangible Net Equity – Favorable operating results contributed to a Tangible Net Equity (TNE) level of approximately $113.8 million, which exceeded both the budget of $82.4 million by $31.46 million and the State minimum required TNE amount of $22.0 million by $91.8 million. August's TNE was 485% of the State required TNE, excluding the $7.2 million County of Ventura lines of credit (LOC).

Membership – August membership of 193,867 exceeded budget by 2,248 members. The increase was primarily in the Adult Expansion (AE) category, which grew by 809 members this fiscal year.

Revenue – For the month ending August, fiscal year to date net revenue was $105.1 million or $1.7 million favorable to budget. This is largely due to the increase in membership with higher capitation rates (Adult Expansion).

Revenue includes a $3.2 million reserve for rate reductions associated with AE. This reserve represents an expected refund, to DHCS, of rate overpayments (DHCS is paying at July 1, 2014 rates rather than the July 1, 2015 published rates) and the anticipated refund of revenue to achieve a medical loss ratio (MLR) of 85%, for this aid category. (The MLR is calculated by dividing health care costs by revenue.)

Health Care Costs – For month ending August, fiscal year to date health care costs were $92.5 million or $1.7 million favorable to budget. Health care cost increased by $3.2 million or 7% in August over July driven by increased membership. The MLR for the fiscal year is 88% versus 90% in July. Additional detail by major line item follows:

- Capitation – For the fiscal year, capitation was $15.0 million or $3.0 million over budget. The Enhanced Adult Capitation program was revised effective July 2015. The effect has been a greater than anticipated capitation rate coupled with higher than budgeted membership growth.
- Fee for Service – For the fiscal year, total claims expense was $74.5 million compared to a budget of $78.5 million. While there was some movement of services between categories, the overall variance is comprised of the $13.0 million in Physician Specialty savings.
- Inpatient – Two unusually large claims are impacting inpatient costs this fiscal year.
- LTC / SNF – New AB 1629 rates were contemplated in the budget, but rates scheduled to be released August 1, 2014 have not yet been published by DHCS. Staff is in the process of researching an appropriate accrual estimate until rates are published and operationalized by the Plan.
- Pharmacy – For the fiscal year, overall Pharmacy was $14.0 million or $800,000 favorable to budget. Lower than expected utilization in the AE category contributed to savings, however AE Pharmacy has been trending higher.

Administrative Expenses – For the month ending August, fiscal year to date administrative costs totaled $6.6 million or $818,000 favorable to budget. Savings were realized due to the delay in new hires and related costs associated with personnel.

The administrative cost ratio (ACR) is 6% or 1% favorable to budget. (The ACR is calculated

by dividing administrative expenses by total revenue.)

Cash and Medi-Cal Receivable – Total Cash and Medi-Cal Premium Receivable balances were $414.8 million, as of August 31, 2015. This includes pass-through payments for AB 85 of $1.7 million and Managed Care Organizations (MCO) tax of $9.3 million. Excluding the impact of the pass through amount, the total of Cash and Medi-Cal Receivable balance as of August 31, 2015 was $403.8 million or $4.3 million better than the budgeted level of $399.5 million.

Investment Portfolio – During the months of July and August, $95.0 million net transfer to short term investments was completed. As of August 31, 2015, the value the investments are as follows:

- Short-term Investments $260.1 million: Cal Trust $80.1 million; Ventura County Investment Pool $80.0 million; LAIF CA State $50.0 million; Commercial paper and bonds $50.0 million.
- Long-term Investments (Bonds) $24.6 million.

**RECOMMENDATION:**

Staff request that the Commission accept and file the July and August 2015 financial statements

**CONCURRENCE:**

October 8, 2015 Executive / Finance Committee

**Attachments:**

July and August 2015 Financials

# ATTACHMENTS

Gold Coast Health Plan℠
A Public Entity

**FINANCIAL PACKAGE**
For the month ended August 31, 2015

**TABLE OF CONTENTS**

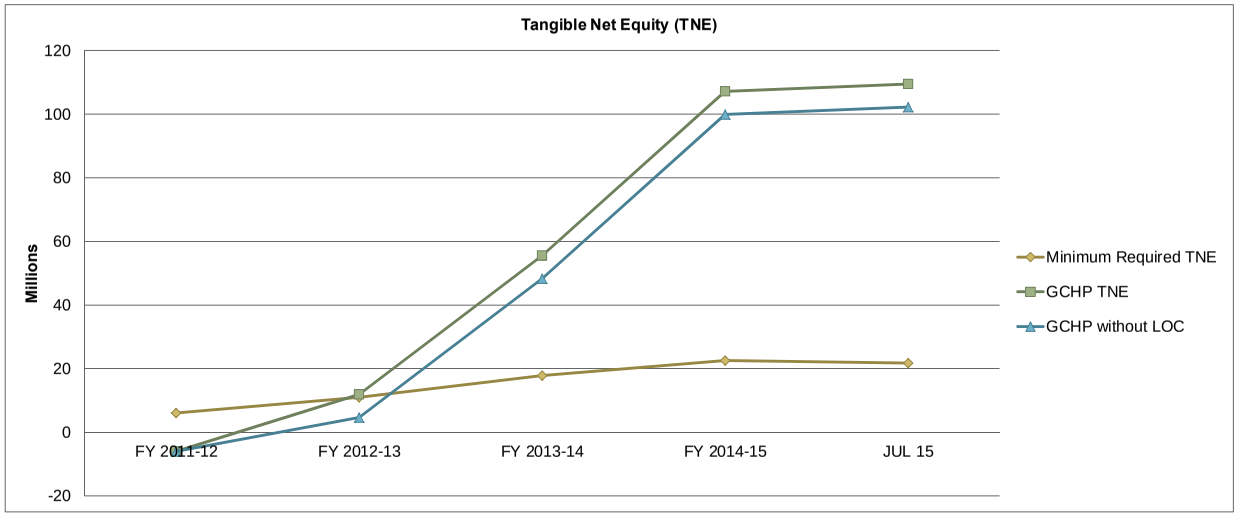


**APPENDIX**

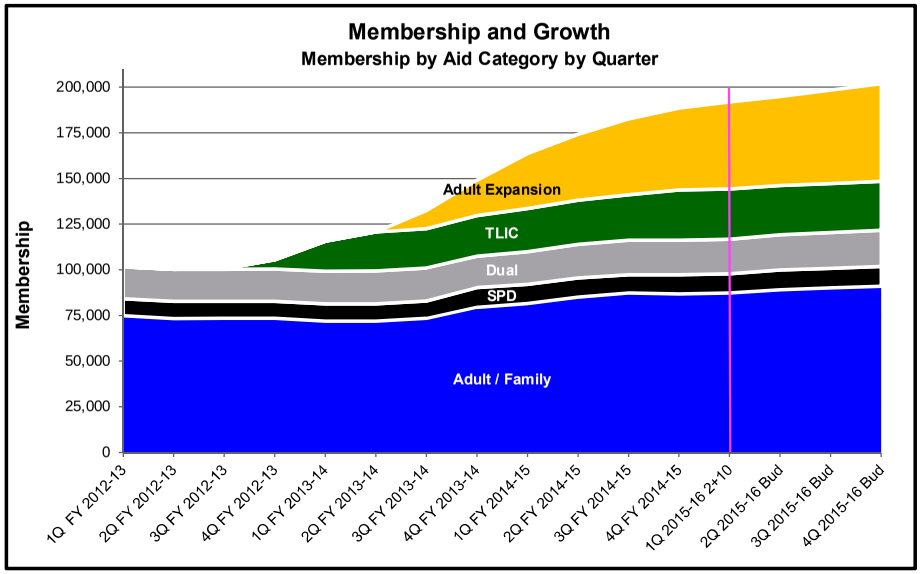
**GOLD COAST HEALTH PLAN**
**Financial Results Summary**

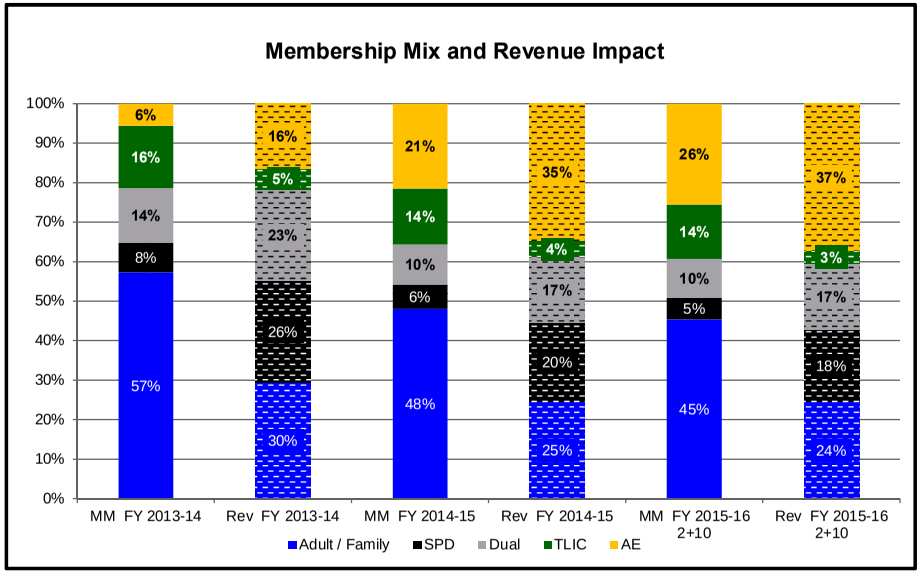
| Description | AUDITED* FY 2011-12 | AUDITED* FY 2012-13 | AUDITED FY 2013-14 | UNAUDITED FY 2014-15 | FY 2015-16 JUL 15 | FY 2015-16 AUG 15 | Budget Comparison Budget August 15 | Variance Fav / (Unfav) | Variance Fav / (Unfav)% |
|---|---|---|---|---|---|---|---|---|---|
| **Member Months** | **1,258,189** | **1,223,895** | **1,553,660** | **2,130,979** | **189,314** | **193,867** | **191,619** | 2,248 | 1.2 % |
| **Revenue** | **304,635,932** | **315,119,611** | **402,701,476** | **596,219,281** | **49,905,030** | **55,401,591** | **52,014,819** | 3,386,772 | 6.5 % |
| *pmpm* | *242.12* | *257.47* | *259.20* | *279.79* | *263.61* | *285.77* | *271.45* | 14.32 | 5.3 % |
| **Health Care Costs** | **287,353,672** | **280,382,704** | **327,305,832** | **509,183,268** | **44,669,495** | **47,843,013** | **47,267,325** | (575,688) | (1.2)% |
| *pmpm* | *228.39* | *229.09* | *210.67* | *238.94* | *235.95* | *246.78* | *246.67* | (0.11) | (0.0)% |
| % of Revenue | 94.3% | 89.0% | 81.3% | 85.4% | 89.5% | 86.4% | 90.9% | 4.5 % | 5.0 % |
| **Admin Exp** | **18,891,320** | **24,013,927** | **31,751,533** | **35,425,960** | **2,944,855** | **3,242,001** | **3,353,199** | 111,198 | 3.3 % |
| *pmpm* | *15.01* | *19.62* | *20.44* | *16.62* | *15.56* | *16.72* | *17.50* | 0.78 | 4.4 % |
| % of Revenue | 6.2% | 7.6% | 7.9% | 5.9% | 5.9% | 5.9% | 6.4% | 0.6 % | 9.2 % |
| **Total Increase / (Decrease) in Unrestricted Net Assets** | **(1,609,063)** | **10,722,980** | **43,644,110** | **51,610,053** | **2,290,680** | **4,316,578** | **1,394,295** | 2,922,282 | 209.6 % |
| *pmpm* | *(1.28)* | *8.76* | *28.09* | *24.22* | *12.10* | *22.27* | *7.28* | 14.99 | 206.0 % |
| % of Revenue | -0.5% | 3.4% | 10.8% | 8.7% | 4.6% | 7.8% | 2.7% | 5.1% | 190.7 % |
| **YTD** | | | | | | | | | |
| 100% TNE | 16,769,368 | 16,138,440 | 17,867,986 | 22,556,530 | 21,780,703 | 21,953,653 | 23,367,191 | (1,413,538) | (6.0)% |
| % TNE Required | 36% | 68% | 100% | 100% | 100% | 100% | 100% | | |
| Minimum Required TNE | 6,036,972 | 10,974,139 | 17,867,986 | 22,556,530 | 21,780,703 | 21,953,653 | 23,367,191 | (1,413,538) | (6.0)% |
| **GCHP TNE** | **(6,031,881)** | **11,891,099** | **55,535,211** | **107,145,264** | **109,435,944** | **113,752,522** | **82,394,345** | **31,358,177** | **38.1 %** |
| TNE Excess / (Deficiency) | **(12,068,853)** | **916,960** | **37,667,225** | **84,588,734** | **87,655,241** | **91,798,869** | **59,027,154** | **32,771,715** | **55.5 %** |
| % of Required TNE level | | | **311%** | **475%** | **502%** | **518%** | **353%** | | |
| % of Required TNE level (excluding $7.2 million LOC) | | | **271%** | **443%** | **469%** | **485%** | **322%** | | |

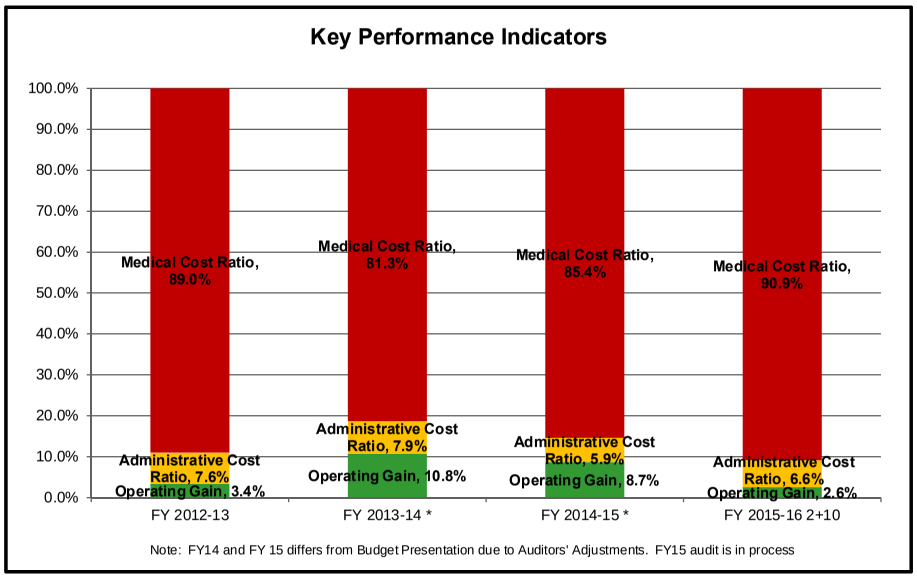
Note: TNE amount includes $7.2 million related to the Lines of Credit (LOC) from Ventura County.
* Audited amounts reflect financial adjustments made by auditors, but exclude presentation reclassifications without P&L impact (i.e. reporting package kept the same).



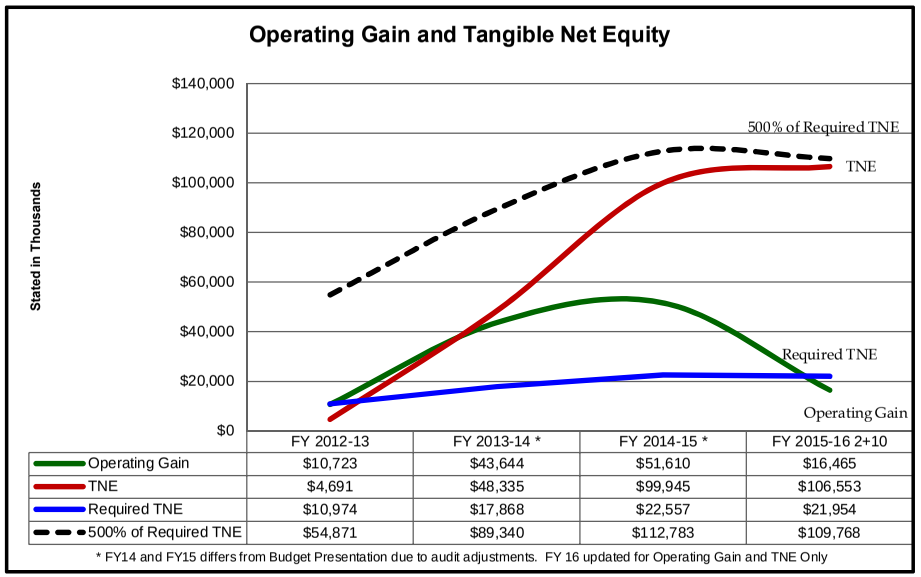
# Financial Performance
## For Month Ending August 31, 2015



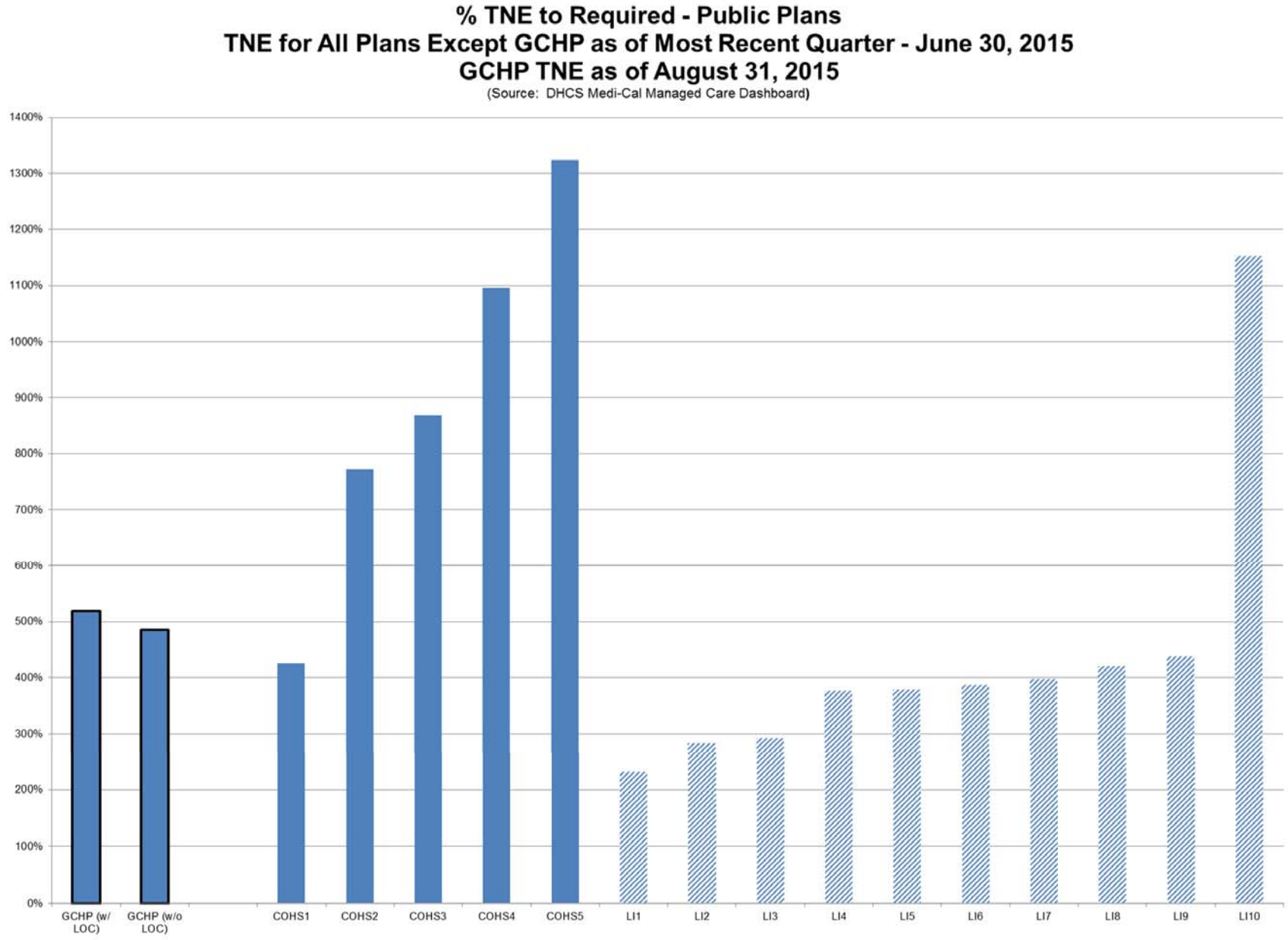




Note: FY14 and FY 15 differs from Budget Presentation due to Auditors' Adjustments. FY15 audit is in process

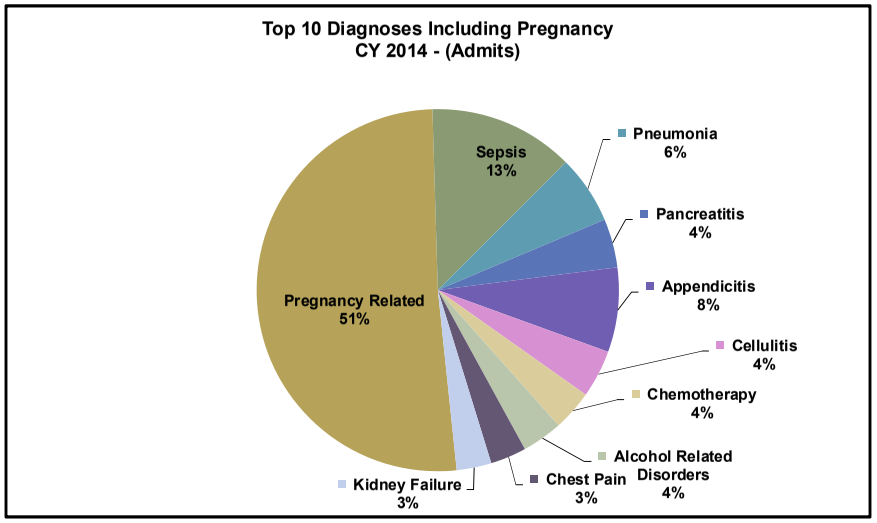


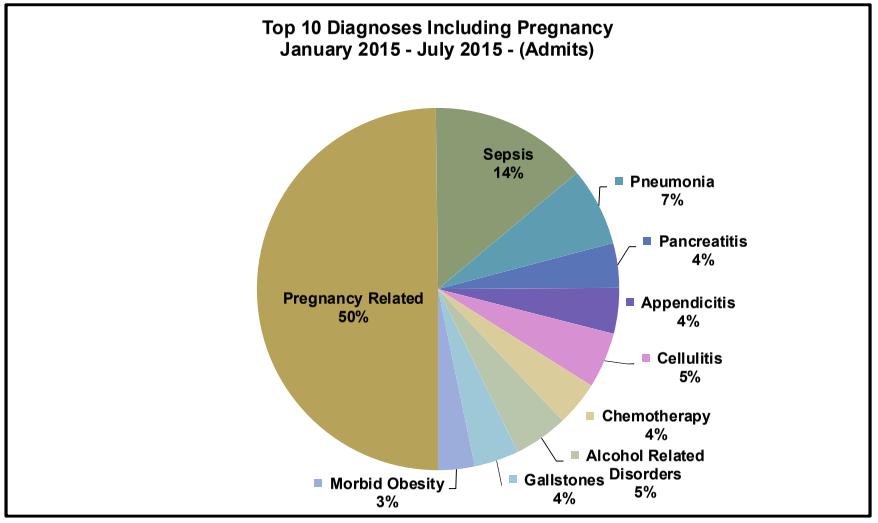

| | FY 2012-13 | FY 2013-14 * | FY 2014-15 * | FY 2015-16 2+10 |
|---|---|---|---|---|
| Operating Gain | $10,723 | $43,644 | $51,610 | $16,465 |
| TNE | $4,691 | $48,335 | $99,945 | $106,553 |
| Required TNE | $10,974 | $17,868 | $22,557 | $21,954 |
| 500% of Required TNE | $54,871 | $89,340 | $112,783 | $109,768 |

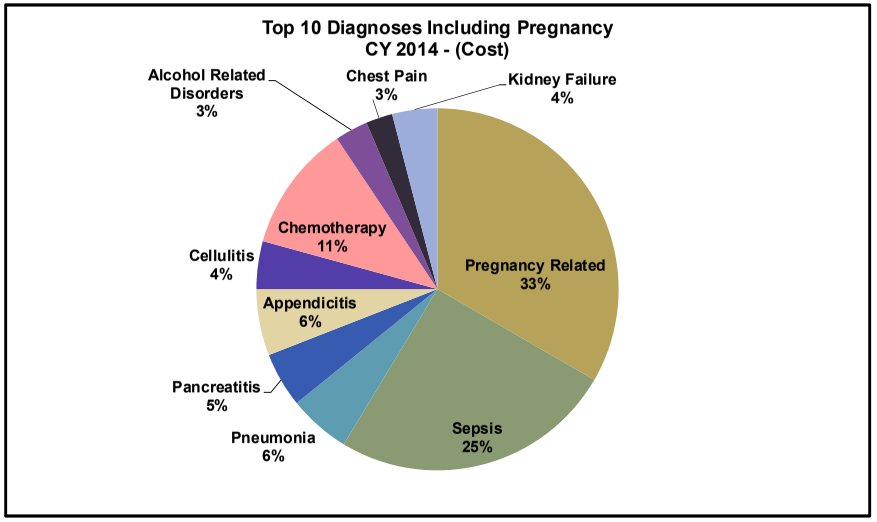
* FY14 and FY15 differs from Budget Presentation due to audit adjustments. FY 16 updated for Operating Gain and TNE Only

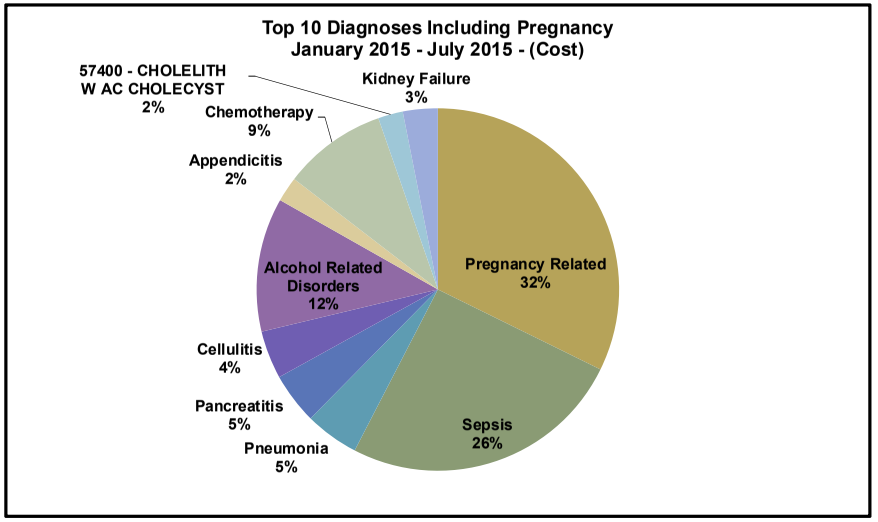

% TNE to Required - Public Plans
TNE for All Plans Except GCHP as of Most Recent Quarter - June 30, 2015
GCHP TNE as of August 31, 2015
(Source: DHCS Medi-Cal Managed Care Dashboard)
1400%
1300%
1200%
1100%
1000%
900%
800%
700%
600%
500%
400%
300%
200%
100%
0%
GCHP (w/ LOC)
GCHP (w/o LOC)
COHS1
COHS2
COHS3
COHS4
COHS5
LI1
LI2
LI3
LI4
LI5
LI6
LI7
LI8
LI9
LI10

# Top 10 Diagnoses Including Pregnancy

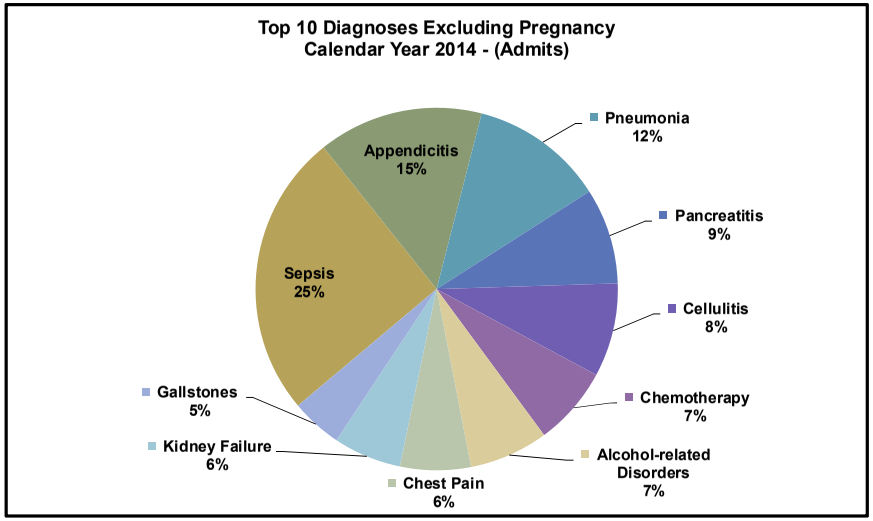


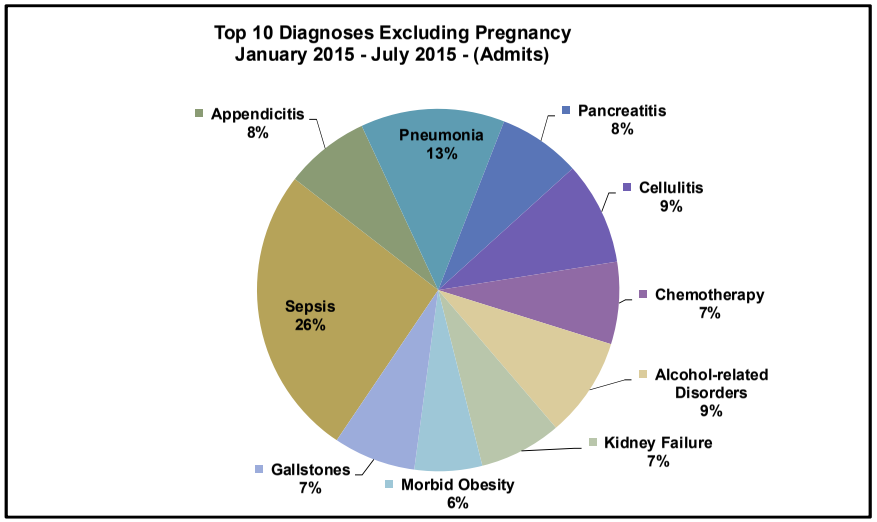



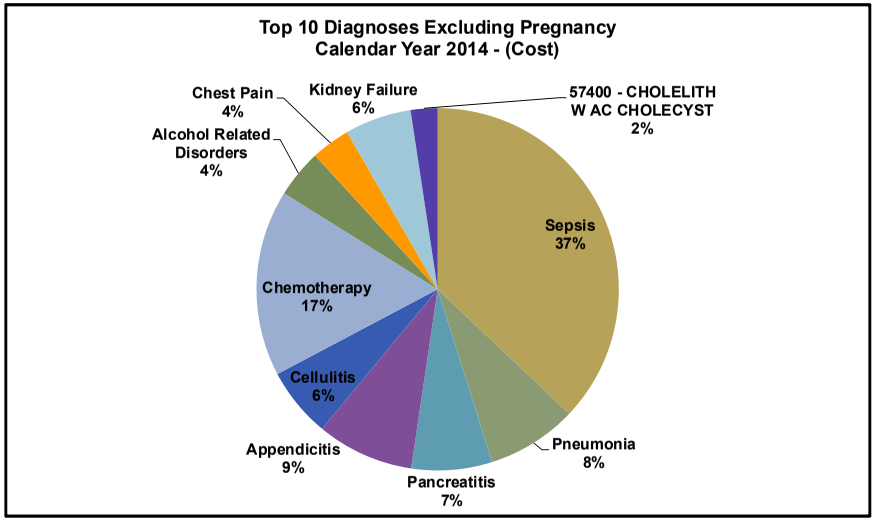



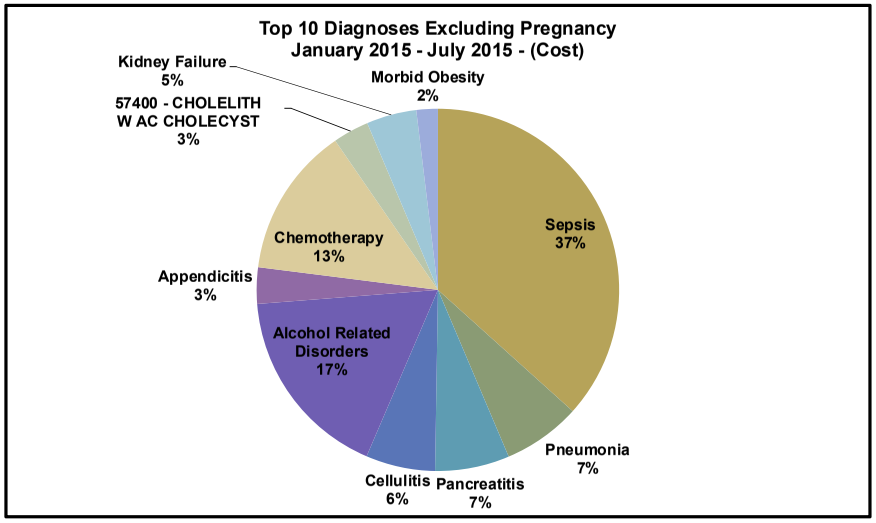



## Top 10 Diagnoses Excluding Pregnancy

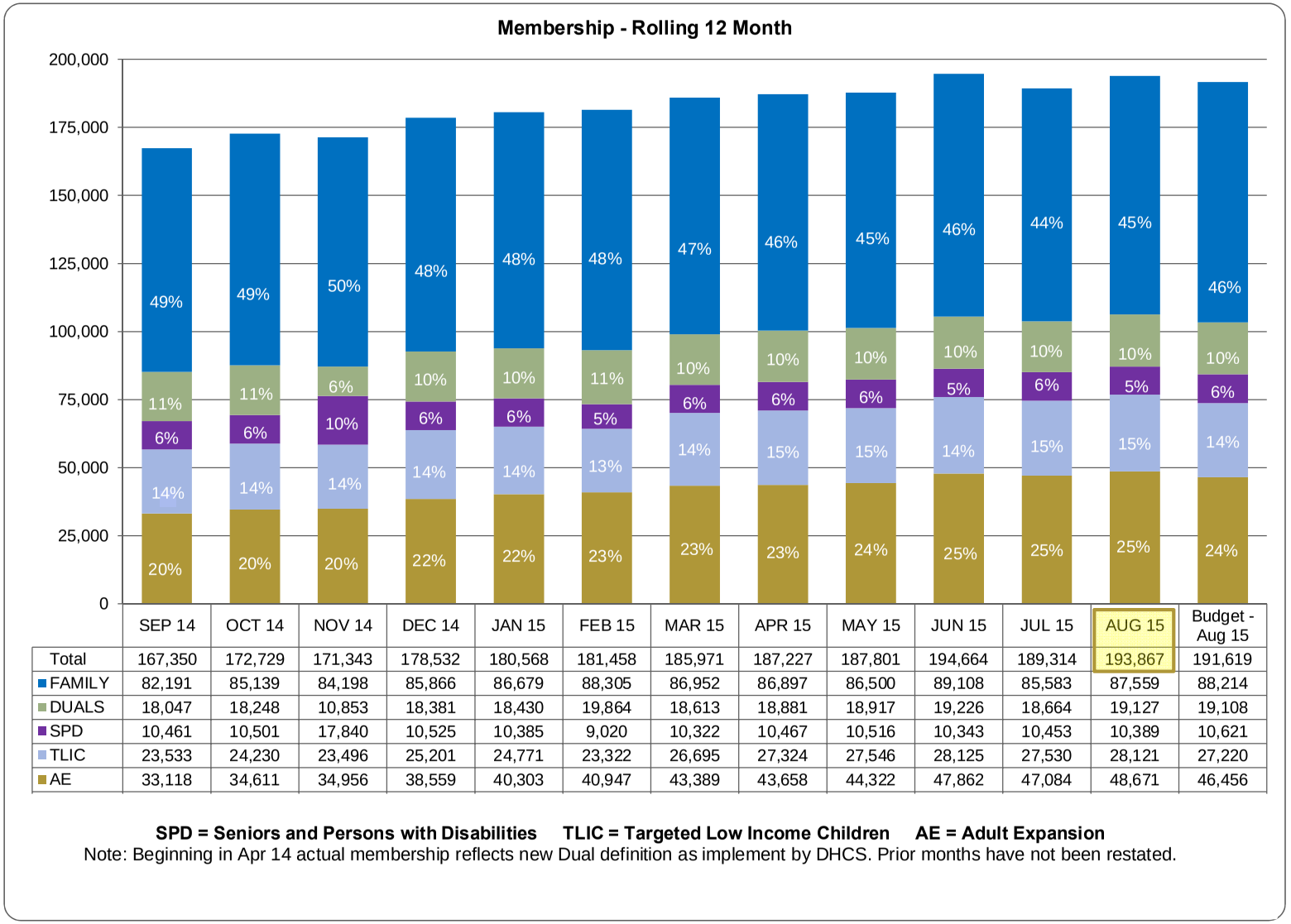


## GOLD COAST HEALTH PLAN




| | SEP 14 | OCT 14 | NOV 14 | DEC 14 | JAN 15 | FEB 15 | MAR 15 | APR 15 | MAY 15 | JUN 15 | JUL 15 | AUG 15 | Budget - Aug 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total | 167,350 | 172,729 | 171,343 | 178,532 | 180,568 | 181,458 | 185,971 | 187,227 | 187,801 | 194,664 | 189,314 | 193,867 | 191,619 |
| FAMILY | 82,191 | 85,139 | 84,198 | 85,866 | 86,679 | 88,305 | 86,952 | 86,897 | 86,500 | 89,108 | 85,583 | 87,559 | 88,214 |
| DUALS | 18,047 | 18,248 | 10,853 | 18,381 | 18,430 | 19,864 | 18,613 | 18,881 | 18,917 | 19,226 | 18,664 | 19,127 | 19,108 |
| SPD | 10,461 | 10,501 | 17,840 | 10,525 | 10,385 | 9,020 | 10,322 | 10,467 | 10,516 | 10,343 | 10,453 | 10,389 | 10,621 |
| TLIC | 23,533 | 24,230 | 23,496 | 25,201 | 24,771 | 23,322 | 26,695 | 27,324 | 27,546 | 28,125 | 27,530 | 28,121 | 27,220 |
| AE | 33,118 | 34,611 | 34,956 | 38,559 | 40,303 | 40,947 | 43,389 | 43,658 | 44,322 | 47,862 | 47,084 | 48,671 | 46,456 |

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

Note: Beginning in Apr 14 actual membership reflects new Dual definition as implement by DHCS. Prior months have not been restated.

**Statement of Financial Position**

| | 08/31/15 | 07/31/15 | 06/30/15 | Audited FY 2013-14 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets:** | | | | |
| **Total Cash and Cash Equivalents** | **$ 95,355,438** | **$ 41,673,499** | **$ 57,218,141** | **$ 60,176,698** |
| **Total Short-Term Investments** | **260,146,494** | **135,116,663** | **165,090,357** | **0** |
| Medi-Cal Receivable | 59,326,724 | 186,030,070 | 129,782,958 | 119,538,688 |
| Interest Receivable | 204,793 | 277,605 | 208,010 | 0 |
| Provider Receivable | 480,792 | 478,672 | 579,482 | 395,129 |
| Other Receivables | 172,364 | 171,945 | 979,647 | 1,821,475 |
| **Total Accounts Receivable** | **60,184,672** | **186,958,292** | **131,550,096** | **121,755,292** |
| Total Prepaid Accounts | 1,598,954 | 1,158,110 | 766,831 | 994,278 |
| Total Other Current Assets | 81,702 | 81,702 | 81,702 | 81,719 |
| **Total Current Assets** | **417,367,260** | **364,988,265** | **354,707,127** | **183,007,987** |
| **Total Fixed Assets** | **1,028,172** | **1,058,798** | **1,084,113** | **1,163,269** |
| **Total Long-Term Investments** | **24,600,960** | **24,624,169** | **24,647,362** | **0** |
| **Total Assets** | **$ 442,996,391** | **$ 390,671,233** | **$ 380,438,602** | **$ 184,171,256** |
| **LIABILITIES & NET ASSETS** | | | | |
| **Current Liabilities:** | | | | |
| Incurred But Not Reported | $ 57,561,903 | $ 54,084,060 | $ 52,372,146 | $ 40,304,158 |
| Claims Payable | 11,835,727 | 12,708,417 | 13,747,426 | 9,482,660 |
| Capitation Payable | 31,772,366 | 37,186,547 | 34,466,106 | 12,444,575 |
| Physician ACA 1202 Payable | 10,965,642 | 10,965,642 | 10,965,642 | 12,765,516 |
| AB 85 Payable | 1,706,301 | 5,413,364 | 3,818,147 | 2,325,587 |
| Accounts Payable | 769,423 | 427,576 | 3,449,087 | 2,875,709 |
| Accrued ACS | 3,066,737 | 2,876,754 | 1,480,556 | 0 |
| Accrued Expenses | 26,184,994 | 6,212,442 | 6,249,194 | 5,748,120 |
| Accrued Premium Tax | 9,324,756 | 5,863,776 | 3,641,573 | 15,925,782 |
| Accrued Interest Payable | 77,588 | 73,998 | 70,711 | 42,062 |
| Current Portion of Deferred Revenue | 383,333 | 421,667 | 460,000 | 460,000 |
| Accrued Payroll Expense | 860,619 | 707,576 | 1,152,720 | 760,032 |
| **Total Current Liabilities** | **154,509,388** | **136,941,818** | **131,873,310** | **103,134,200** |
| **Long-Term Liabilities:** | | | | |
| DHCS - Reserve for Capitation Recoup | 174,218,172 | 143,810,602 | 140,970,602 | 24,970,000 |
| Other Long-term Liability-Deferred Rent | 516,310 | 482,868 | 449,427 | 71,845 |
| Deferred Revenue - Long Term Portion | 0 | 0 | 0 | 460,000 |
| Notes Payable | 7,200,000 | 7,200,000 | 7,200,000 | 7,200,000 |
| **Total Long-Term Liabilities** | **181,934,481** | **151,493,470** | **148,620,029** | **32,701,845** |
| **Total Liabilities** | **336,443,869** | **288,435,288** | **280,493,338** | **135,836,045** |
| **Net Assets:** | | | | |
| Beginning Net Assets | 99,945,264 | 99,945,264 | 48,335,211 | 4,691,101 |
| Total Increase / (Decrease in Unrestricted Net A | 6,607,258 | 2,290,680 | 51,610,053 | 43,644,110 |
| **Total Net Assets** | **106,552,522** | **102,235,944** | **99,945,264** | **48,335,211** |
| **Total Liabilities & Net Assets** | **$ 442,996,391** | **$ 390,671,233** | **$ 380,438,602** | **$ 184,171,256** |

| **FINANCIAL INDICATORS** | | | | |
|---|---|---|---|---|
| Current Ratio | 2.7 : 1 | 2.67 : 1 | 2.69 : 1 | 1.77 : 1 |
| Days Cash on Hand | 209 | 111 | 67 | 116 |
| Days Cash + State Capitation Rec | 244 | 229 | 107 | 347 |
| Days Cash + State Capitation Rec (less Tax Lia | 238 | 225 | 106 | 316 |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

| | FY 2014-15 Monthly Trend | | FY 2015-16 | Current Month | | |
|---|---|---|---|---|---|---|
| | MAY 15 | JUN 15 | JUL 15 | AUGUST 2015 | | Variance |
| | | | | Actual | Budget | Fav / (Unfav) |
| **Membership (includes retro members)** | 187,801 | 194,664 | 189,314 | 193,867 | 191,619 | 2,248 |
| **Revenue:** | | | | | | |
| Premium | $ 60,609,305 | $ 57,237,879 | $ 54,776,298 | $ 57,880,936 | $ 57,952,707 | $ (71,771) |
| Reserve for Rate Reduction | (13,685,324) | 27,500,000 | (2,840,000) | (350,000) | (3,949,859) | 3,599,859 |
| MCO Premium Tax | (2,386,510) | (3,344,080) | (2,156,817) | (2,279,062) | (2,126,362) | (152,700) |
| **Total Net Premium** | **44,537,471** | **81,393,799** | **49,779,481** | **55,251,874** | **51,876,486** | **3,375,388** |
| **Other Revenue:** | | | | | | |
| Miscellaneous Income | 38,333 | 38,333 | 38,333 | 38,333 | 38,333 | (0) |
| **Total Other Revenue** | 38,333 | 38,333 | 38,333 | 38,333 | 38,333 | (0) |
| **Total Revenue** | **44,575,805** | **81,432,133** | **49,817,814** | **55,290,207** | **51,914,819** | **3,375,388** |
| **Medical Expenses:** | | | | | | |
| Capitation (PCP, Specialty, Kasier, NEMT & Vision) | 4,406,664 | 57,292,433 | 6,642,386 | 8,374,655 | 6,019,914 | (2,354,741) |
| FFS Claims Expenses: | | | | | | |
| Inpatient | 6,776,899 | 7,345,269 | 7,760,571 | 12,017,812 | 9,636,507 | (2,381,305) |
| LTC / SNF | 6,139,754 | 6,314,577 | 9,162,478 | 7,700,632 | 8,985,677 | 1,285,045 |
| Outpatient | 2,355,940 | 7,358,224 | 4,014,644 | 2,643,296 | 3,123,499 | 480,203 |
| Laboratory and Radiology | 196,578 | (2,687,938) | 243,129 | 285,529 | 219,300 | (66,229) |
| Emergency Room | 1,052,564 | 2,005,556 | 1,346,738 | 1,469,605 | 1,274,785 | (194,820) |
| Physician Specialty | 2,605,488 | 10,079,684 | 3,621,741 | 3,229,913 | 4,089,785 | 859,872 |
| Primary Care Physician | 830,822 | (8,639,511) | 1,005,439 | 1,152,060 | 1,299,084 | 147,024 |
| Home & Community Based Services | 698,217 | 1,287,871 | 860,648 | 1,314,514 | 1,230,053 | (84,461) |
| Applied Behavior Analysis Services | 20,429 | 27,547 | 39,965 | 47,436 | 0 | (47,436) |
| Mental Health Services | 697,231 | 703,182 | 810,272 | 259,327 | 438,157 | 178,830 |
| Pharmacy | 6,312,066 | 6,691,948 | 6,839,470 | 7,245,754 | 7,483,363 | 237,609 |
| ***Adult Expansion Reserve*** | 0 | 8,100,000 | 0 | 0 | 0 | 0 |
| ***Provider Reserve*** | 0 | 0 | 0 | 0 | 564,295 | 564,295 |
| Other Medical Professional | 150,919 | 16,819 | 135,125 | 111,134 | 203,071 | 91,937 |
| Other Medical Care | 0 | 0 | 398 | 0 | 0 | 0 |
| Other Fee For Service | 627,872 | (322,299) | 590,364 | 401,396 | 592,269 | 190,873 |
| Transportation | 65,367 | (764,134) | 138,797 | 78,685 | 140,341 | 61,656 |
| Total Claims | 28,530,146 | 37,516,794 | 36,569,779 | 37,957,093 | 39,280,186 | 1,323,093 |
| Medical & Care Management Expense | 1,112,867 | 1,102,685 | 1,294,135 | 1,440,569 | 1,697,816 | 257,247 |
| Reinsurance | 535,763 | (258,261) | 271,171 | 273,383 | 269,409 | (3,975) |
| Claims Recoveries | (89,868) | (84,767) | (107,976) | (202,687) | 0 | 202,687 |
| Sub-total | 1,558,762 | 759,657 | 1,457,331 | 1,511,265 | 1,967,225 | 455,959 |
| **Total Cost of Health Care** | **34,495,572** | **95,568,884** | **44,669,495** | **47,843,013** | **47,267,325** | **(575,688)** |
| **Contribution Margin** | **10,080,233** | **(14,136,751)** | **5,148,319** | **7,447,194** | **4,647,494** | **2,799,700** |
| **General & Administrative Expenses:** | | | | | | |
| Salaries and Wages | 840,098 | 789,369 | 716,867 | 773,532 | 816,748 | 43,216 |
| Payroll Taxes and Benefits | 197,312 | 265,818 | 197,598 | 193,404 | 241,216 | 47,812 |
| Travel and Training | 14,277 | 38,926 | 10,754 | 12,243 | 65,562 | 53,319 |
| Outside Service - ACS | 1,327,673 | 1,488,853 | 1,397,235 | 1,632,136 | 1,482,426 | (149,710) |
| Outside Services - Other | 164,778 | 168,960 | 133,376 | 138,017 | 172,160 | 34,143 |
| Accounting & Actuarial Services | 10,000 | 10,000 | 40,000 | 0 | 60,000 | 60,000 |
| Legal | 68,274 | 173,994 | 99,724 | 91,347 | 87,500 | (3,847) |
| Insurance | 38,039 | 53,714 | 32,645 | 32,645 | 27,168 | (5,477) |
| Lease Expense - Office | 68,687 | 63,689 | 66,034 | 66,034 | 86,940 | 20,906 |
| Consulting Services | 93,310 | 45,523 | 16,942 | 87,665 | 93,625 | 5,960 |
| Translation Services | 4,909 | 7,143 | 0 | 0 | 0 | 0 |
| Advertising and Promotion | 7,060 | 17,774 | 28,023 | 5,613 | 0 | (5,613) |
| General Office | 120,899 | 221,608 | 148,784 | 151,257 | 135,988 | (15,269) |
| Depreciation & Amortization | 19,444 | 19,905 | 20,352 | 20,463 | 27,320 | 6,857 |
| Printing | 19,038 | 10,792 | 681 | 5,911 | 13,270 | 7,359 |
| Shipping & Postage | 13,128 | 29,252 | 12,809 | 87 | 19,244 | 19,157 |
| Interest | 10,774 | 39,373 | 19,745 | 28,058 | 21,252 | (6,806) |
| **Total G & A Expenses** | **3,017,700** | **3,444,694** | **2,941,567** | **3,238,411** | **3,350,419** | **112,008** |
| **Total Operating Gain / (Loss)** | **7,062,533** | **(17,581,445)** | **2,206,752** | **4,208,783** | **1,297,075** | **2,911,708** |
| **Non Operating:** | | | | | | |
| Revenues - Interest | 112,844 | 87,799 | 87,216 | 111,384 | 100,000 | 11,384 |
| Expenses - Interest | 1,921 | 2,743 | 3,287 | 3,590 | 2,780 | (810) |
| **Total Non-Operating** | **110,923** | **85,056** | **83,929** | **107,794** | **97,220** | **10,574** |
| **Total Increase / (Decrease) in Unrestricted Net Assets** | **7,173,456** | **(17,496,389)** | **2,290,680** | **4,316,578** | **1,394,295** | **2,922,282** |
| **Full Time Employees** | | | | **166** | **189** | **23** |

**PMPM Statement of Revenues, Expenses and Changes in Net Assets**

| | MAY 15 | JUN 15 | JUL 15 | AUGUST 2015 Actual | AUGUST 2015 Budget | Variance Fav / (Unfav) |
|---|---|---|---|---|---|---|
| **Membership (includes retro members)** | 187,801 | 194,664 | 189,314 | 193,867 | 191,619 | 2,248 |
| **Revenue:** | | | | | | |
| Premium | 322.73 | 294.03 | 289.34 | 298.56 | 302.44 | (3.88) |
| Reserve for Rate Reduction | (72.87) | 141.27 | (15.00) | (1.81) | (20.61) | 18.81 |
| MCO Premium Tax | (12.71) | (17.18) | (11.39) | (11.76) | (11.10) | (0.66) |
| **Total Net Premium** | **237.15** | **418.12** | **262.95** | **285.00** | **270.73** | **14.27** |
| **Other Revenue:** | | | | | | |
| Interest Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous Income | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | (0.00) |
| **Total Other Revenue** | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | (0.00) |
| **Total Revenue** | **237.36** | **418.32** | **263.15** | **285.20** | **270.93** | **14.27** |
| **Medical Expenses:** | | | | | | |
| Capitation (PCP, Specialty, Kasier, NEMT & Vision) | 23.46 | 294.31 | 35.09 | 43.20 | 31.42 | (11.78) |
| FFS Claims Expenses: | | | | | | |
| Inpatient | 36.09 | 37.73 | 40.99 | 61.99 | 50.29 | (11.70) |
| LTC / SNF | 32.69 | 32.44 | 48.40 | 39.72 | 46.89 | 7.17 |
| Outpatient | 12.54 | 37.80 | 21.21 | 13.63 | 16.30 | 2.67 |
| Laboratory and Radiology | 1.05 | (13.81) | 1.28 | 1.47 | 1.14 | (0.33) |
| Emergency Room | 5.60 | 10.30 | 7.11 | 7.58 | 6.65 | (0.93) |
| Physician Specialty | 13.87 | 51.78 | 19.13 | 16.66 | 21.34 | 4.68 |
| Primary Care Physician | 4.42 | (44.38) | 5.31 | 5.94 | 6.78 | 0.84 |
| Home & Community Based Services | 3.72 | 6.62 | 4.55 | 6.78 | 6.42 | (0.36) |
| Applied Behavior Analysis Services | 0.11 | 0.14 | 0.21 | 0.24 | 0.00 | (0.24) |
| Mental Health Services | 3.71 | 3.61 | 4.28 | 1.34 | 2.29 | 0.95 |
| Pharmacy | 33.61 | 34.38 | 36.13 | 37.37 | 39.05 | 1.68 |
| ***Adult Expansion Reserve*** | 0.00 | 41.61 | 0.00 | 0.00 | 0.00 | 0.00 |
| ***Provider Reserve*** | 0.00 | 0.00 | 0.00 | 0.00 | 2.94 | 2.94 |
| Other Medical Professional | 0.80 | 0.09 | 0.71 | 0.57 | 1.06 | 0.49 |
| Other Medical Care | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Fee For Service | 3.34 | (1.66) | 3.12 | 2.07 | 3.09 | 1.02 |
| Transportation | 0.35 | (3.93) | 0.73 | 0.41 | 0.73 | 0.33 |
| Total Claims | 151.92 | 192.73 | 193.17 | 195.79 | 204.99 | 9.20 |
| Medical & Care Management Expense | 5.93 | 5.66 | 6.84 | 7.43 | 8.86 | 1.43 |
| Reinsurance | 2.85 | (1.33) | 1.43 | 1.41 | 1.41 | (0.00) |
| Claims Recoveries | (0.48) | (0.44) | (0.57) | (1.05) | 0.00 | 1.05 |
| Sub-total | 8.30 | 3.90 | 7.70 | 7.80 | 10.27 | 2.47 |
| **Total Cost of Health Care** | 183.68 | 490.94 | 235.95 | 246.78 | **246.67** | **(0.11)** |
| **Contribution Margin** | **53.68** | **(72.62)** | **27.19** | **38.41** | **24.25** | **14.16** |
| **General & Administrative Expenses:** | | | | | | |
| Salaries and Wages | 4.47 | 4.06 | 3.79 | 3.99 | 4.26 | 0.27 |
| Payroll Taxes and Benefits | 1.05 | 1.37 | 1.04 | 1.00 | 1.26 | 0.26 |
| Travel and Training | 0.08 | 0.20 | 0.06 | 0.06 | 0.34 | 0.28 |
| Outside Service - ACS | 7.07 | 7.65 | 7.38 | 8.42 | 7.74 | (0.68) |
| Outside Services - Other | 0.88 | 0.87 | 0.70 | 0.71 | 0.90 | 0.19 |
| Accounting & Actuarial Services | 0.05 | 0.05 | 0.21 | 0.00 | 0.31 | 0.31 |
| Legal | 0.36 | 0.89 | 0.53 | 0.47 | 0.46 | (0.01) |
| Insurance | 0.20 | 0.28 | 0.17 | 0.17 | 0.14 | (0.03) |
| Lease Expense - Office | 0.37 | 0.33 | 0.35 | 0.34 | 0.45 | 0.11 |
| Consulting Services | 0.50 | 0.23 | 0.09 | 0.45 | 0.49 | 0.04 |
| Translation Services | 0.03 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 |
| Advertising and Promotion | 0.04 | 0.09 | 0.15 | 0.03 | 0.00 | (0.03) |
| General Office | 0.64 | 1.14 | 0.79 | 0.78 | 0.71 | (0.07) |
| Depreciation & Amortization | 0.10 | 0.10 | 0.11 | 0.11 | 0.14 | 0.04 |
| Printing | 0.10 | 0.06 | 0.00 | 0.03 | 0.07 | 0.04 |
| Shipping & Postage | 0.07 | 0.15 | 0.07 | 0.00 | 0.10 | 0.10 |
| Interest | 0.06 | 0.20 | 0.10 | 0.14 | 0.11 | (0.03) |
| Other/ Miscellaneous Expenses | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total G & A Expenses** | 16.07 | 17.70 | 15.54 | 16.70 | 17.48 | 0.78 |
| **Total Operating Gain / (Loss)** | 37.61 | (90.32) | 11.66 | 21.71 | 6.77 | 14.94 |
| **Non Operating:** | | | | | | |
| Revenues - Interest | 0.60 | 0.45 | 0.46 | 0.57 | 0.52 | 0.05 |
| Expenses - Interest | 0.01 | 0.01 | 0.02 | 0.02 | 0.01 | (0.00) |
| **Total Non-Operating** | 0.59 | 0.44 | 0.44 | 0.56 | 0.51 | 0.05 |
| **Total Increase / (Decrease) in Unrestricted Net Assets** | 38.20 | (89.88) | 12.10 | 22.27 | 7.28 | 14.99 |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**
**For Two Months Ended August 31, 2015**

| | August 15 Year-To-Date | | Variance |
|---|---|---|---|
| | Actual | Budget | Fav / (Unfav) |
| **Membership (includes retro members)** | 383,181 | 382,112 | 1,069 |
| **Revenue** | | | |
| Premium | $ 112,657,233 | $ 115,370,168 | $ (2,712,935) |
| Reserve for Rate Reduction | (3,190,000) | (7,821,995) | 4,631,995 |
| MCO Premium Tax | (4,435,879) | (4,234,709) | (201,170) |
| **Total Net Premium** | **105,031,355** | **103,313,464** | **1,717,891** |
| **Other Revenue:** | | | |
| Miscellaneous Income | 76,667 | 76,666 | 1 |
| **Total Other Revenue** | 76,667 | **76,666** | 1 |
| **Total Revenue** | **105,108,021** | **103,390,130** | **1,717,891** |
| **Medical Expenses:** | | | |
| Capitation (PCP, Specialty, Kaiser, NEMT & Vision) | 15,017,040 | 11,976,092 | (3,040,948) |
| FFS Claims Expenses: | | | |
| Inpatient | 19,778,383 | 19,171,431 | (606,952) |
| LTC / SNF | 16,863,110 | 17,934,640 | 1,071,530 |
| Outpatient | 6,657,940 | 6,219,168 | (438,772) |
| Laboratory and Radiology | 528,658 | 436,357 | (92,301) |
| Emergency Room | 2,816,343 | 2,539,073 | (277,270) |
| Physician Specialty | 6,851,654 | 8,139,217 | 1,287,563 |
| Primary Care Physician | 2,157,499 | 2,588,946 | 431,447 |
| Home & Community Based Services | 2,175,162 | 2,455,044 | 279,882 |
| Applied Behavior Analysis Services | 87,400 | 0 | (87,400) |
| Mental Health Services | 1,069,599 | 872,780 | (196,819) |
| Pharmacy | 14,085,224 | 14,899,775 | 814,551 |
| *Adult Expansion Reserve* | 0 | 0 | 0 |
| *Provider Reserve* | 0 | 1,124,508 | 1,124,508 |
| Other Medical Professional | 246,259 | 404,274 | 158,015 |
| Other Medical Care | 398 | 0 | (398) |
| Other Fee For Service | 991,760 | 1,180,615 | 188,855 |
| Transportation | 217,482 | 279,414 | 61,932 |
| Total Claims | 74,526,872 | 78,245,242 | 3,718,371 |
| Medical & Care Management Expense | 2,734,705 | 3,412,768 | 678,063 |
| Reinsurance | 544,554 | 535,607 | (8,948) |
| Claims Recoveries | (310,663) | 0 | 310,663 |
| Sub-total | 2,968,596 | 3,948,375 | 979,779 |
| **Total Cost of Health Care** | **92,512,508** | **94,169,709** | **1,657,201** |
| **Contribution Margin** | **12,595,514** | **9,220,421** | **3,375,092** |
| **General & Administrative Expenses:** | | | |
| Salaries and Wages | 1,490,399 | 1,626,979 | 136,580 |
| Payroll Taxes and Benefits | 391,002 | 480,365 | 89,363 |
| Travel and Training | 22,997 | 111,595 | 88,598 |
| Outside Service - ACS | 3,029,370 | 2,956,408 | (72,962) |
| Outside Services - Other | 271,393 | 345,170 | 73,777 |
| Accounting & Actuarial Services | 40,000 | 90,000 | 50,000 |
| Legal | 191,070 | 175,000 | (16,070) |
| Insurance | 65,290 | 54,336 | (10,954) |
| Lease Expense - Office | 132,068 | 173,880 | 41,812 |
| Consulting Services | 104,606 | 219,350 | 114,744 |
| Advertising and Promotion | 33,636 | 11,090 | (22,546) |
| General Office | 300,040 | 564,214 | 264,174 |
| Depreciation & Amortization | 40,815 | 49,915 | 9,100 |
| Printing | 6,592 | 48,935 | 42,343 |
| Shipping & Postage | 12,896 | 49,613 | 36,717 |
| Interest | 47,803 | 42,394 | (5,409) |
| **Total G & A Expenses** | **6,179,979** | **6,999,244** | **819,265** |
| **Total Operating Gain / (Loss)** | **$ 6,415,535** | **$ 2,221,177** | **$ 4,194,358** |
| **Non Operating** | | | |
| Revenues - Interest | 198,600 | 200,000 | (1,400) |
| Expenses - Interest | 6,877 | 5,558 | (1,319) |
| **Total Non-Operating** | 191,723 | 194,442 | (2,719) |
| **Total Increase / (Decrease) in Unrestricted Net Assets** | $ 6,607,258 | $ 2,415,619 | $ 4,191,638 |
| Net Assets, Beginning of Year | 99,945,264 | | |
| Net Assets, End of Year | 106,552,522 | | |

**Statement of Cash Flows - Monthly**

| | AUG 15 | JUL 15 | JUN 15 |
|---|---|---|---|
| Cash Flow From Operating Activities | | | |
| Collected Premium | $ 208,708,144 | $ 189,788 | $ - |
| Miscellaneous Income | 111,384 | 87,216 | 89,520 |
| State Pass Through Funds | 23,304,639 | - | - |
| Paid Claims | | | |
| Medical & Hospital Expenses | (32,510,910) | (29,007,568) | (35,377,714) |
| Pharmacy | (7,757,457) | (7,306,977) | (6,796,493) |
| Capitation | (3,926,229) | (4,033,191) | (40,139,869) |
| Reinsurance of Claims | (273,383) | (271,171) | (549,442) |
| State Pass Through Funds Distributed | (5,356,712) | - | (5,895,955) |
| Paid Administration | (3,599,447) | (5,190,430) | (1,939,953) |
| MCO Tax Received / (Paid) | (7,473) | - | - |
| Net Cash Provided / (Used) by Operating Activi | **178,692,555** | **(45,532,334)** | **(90,609,905)** |
| Cash Flow From Investing / Financing Activities | | | |
| Net Acquisition of Investments | (125,006,621) | 29,996,886 | 40,009,301 |
| Net Acquisition of Property / Equipment | (3,995) | (9,195) | (32,157) |
| Net Cash Provided / (Used) by Investing / Finar | **(125,010,616)** | **29,987,691** | **39,977,144** |
| **Net Cash Flow** | **$ 53,681,939** | **$ (15,544,643)** | **$ (50,632,761)** |
| Cash and Cash Equivalents (Beg. of Period) | 41,673,499 | 57,218,141 | 107,850,902 |
| Cash and Cash Equivalents (End of Period) | 95,355,438 | 41,673,499 | 57,218,141 |
| | **$ 53,681,939** | **$ (15,544,643)** | **$ (50,632,761)** |
| Adjustment to Reconcile Net Income to Net Cash Flow | | | |
| Net (Loss) Income | 4,316,578 | 2,290,680 | (17,496,389) |
| Depreciation & Amortization | 34,621 | 34,510 | 34,063 |
| Decrease / (Increase) in Receivables | 126,773,620 | (55,408,196) | (61,391,948) |
| Decrease / (Increase) in Prepaids & Other Curr | (440,845) | (391,278) | 65,407 |
| (Decrease) / Increase in Payables | 16,953,951 | (508,706) | (1,047,746) |
| (Decrease) / Increase in Other Liabilities | 30,402,678 | 2,835,108 | (27,504,892) |
| Changes in Withhold / Risk Incentive Pool | - | - | - |
| Change in MCO Tax Liability | 3,460,981 | 2,222,203 | 3,521,974 |
| Changes in Claims and Capitation Payable | (6,286,871) | 1,681,431 | 16,618,512 |
| Changes in IBNR | 3,477,842 | 1,711,914 | (3,408,886) |
| | 178,692,555 | (45,532,334) | (90,609,905) |
| **Net Cash Flow from Operating Activities** | **178,692,555** | **(45,532,334)** | **(90,609,905)** |

## Statement of Cash Flows - YTD

| | AUG 2015 |
|---|---|
| Cash Flow From Operating Activities | |
| Collected Premium | $ 208,897,931 |
| Miscellaneous Income | 198,600 |
| State Pass Through Funds | 23,304,639 |
| Paid Claims | |
| Medical & Hospital Expenses | (61,518,479) |
| Pharmacy | (15,064,434) |
| Capitation | (7,959,420) |
| Reinsurance of Claims | (544,554) |
| State Pass Through Funds Distributed | (5,356,712) |
| Paid Administration | (8,789,877) |
| MCO Taxes Received / (Paid) | (7,473) |
| Net Cash Provided / (Used) by Operating Activities | **133,160,221** |
| Cash Flow From Investing / Financing Activities | |
| Net Acquisition of Investments | (95,009,736) |
| Net Acquisition of Property / Equipment | (13,190) |
| Net Cash Provided / (Used) by Investing / Financing | **(95,022,926)** |
| **Net Cash Flow** | **$ 38,137,296** |
| Cash and Cash Equivalents (Beg. of Period) | 57,218,141 |
| Cash and Cash Equivalents (End of Period) | 95,355,438 |
| | **$ 38,137,296** |
| Adjustment to Reconcile Net Income to Net Cash Flow | |
| Net Income / (Loss) | 6,607,258 |
| Depreciation & Amortization | 69,132 |
| Decrease / (Increase) in Receivables | 71,365,424 |
| Decrease / (Increase) in Prepaids & Other Current Assets | (832,123) |
| (Decrease) / Increase in Payables | 16,445,245 |
| (Decrease) / Increase in Other Liabilities | 33,237,786 |
| Change in MCO Tax Liability | 5,683,184 |
| Changes in Claims and Capitation Payable | (4,605,440) |
| Changes in IBNR | 5,189,756 |
| | 133,160,221 |
| **Net Cash Flow from Operating Activities** | **$ 133,160,221** |

Gold Coast Health Plan℠
A Public Entity

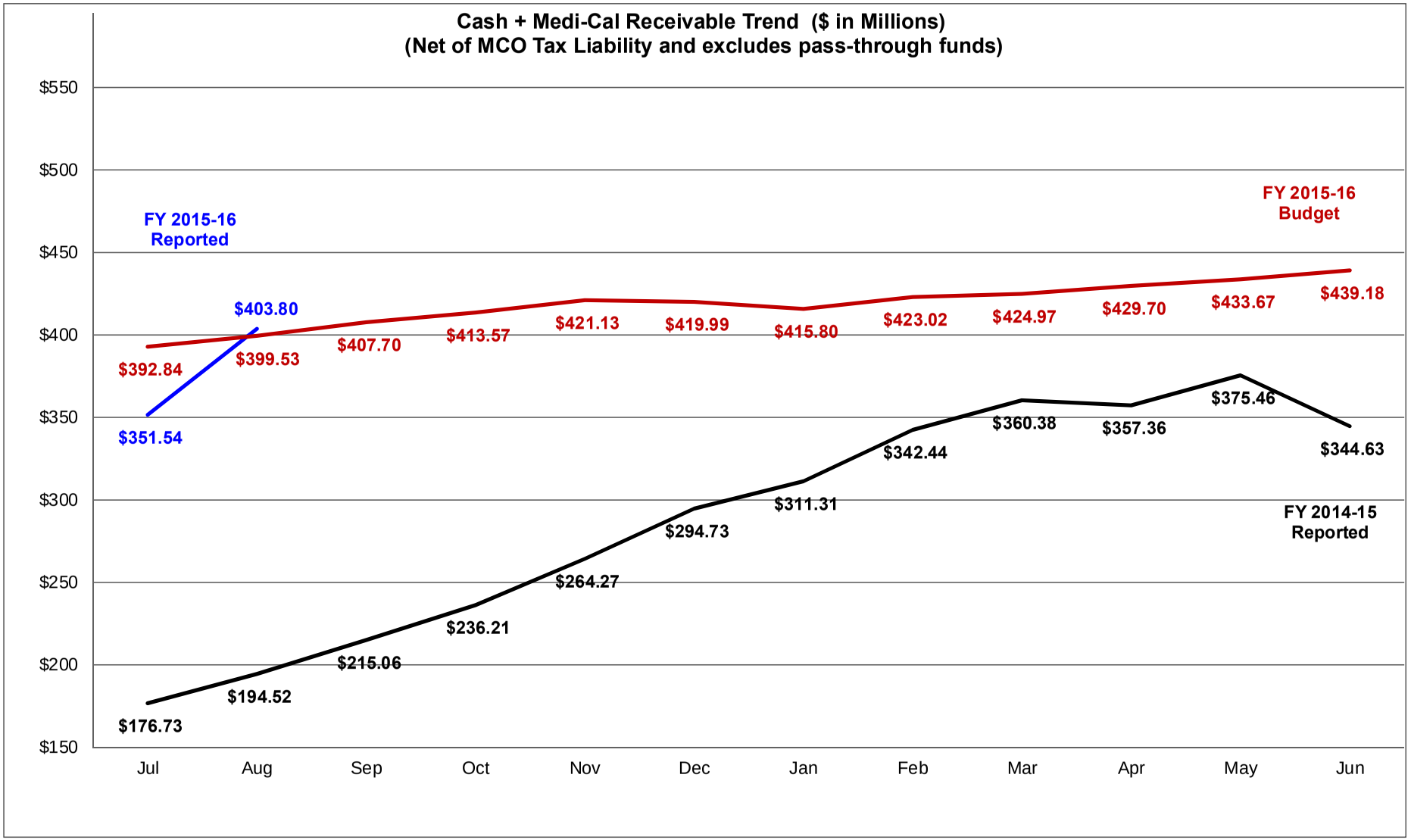
For the month ended August 31, 2015



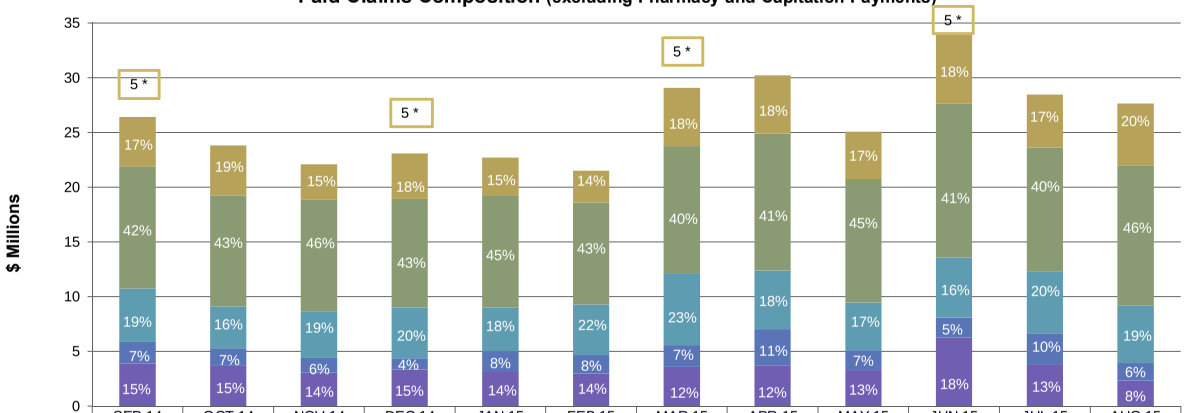
**APPENDIX**

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

**GOLD COAST HEALTH PLAN**
**AUGUST 2015**



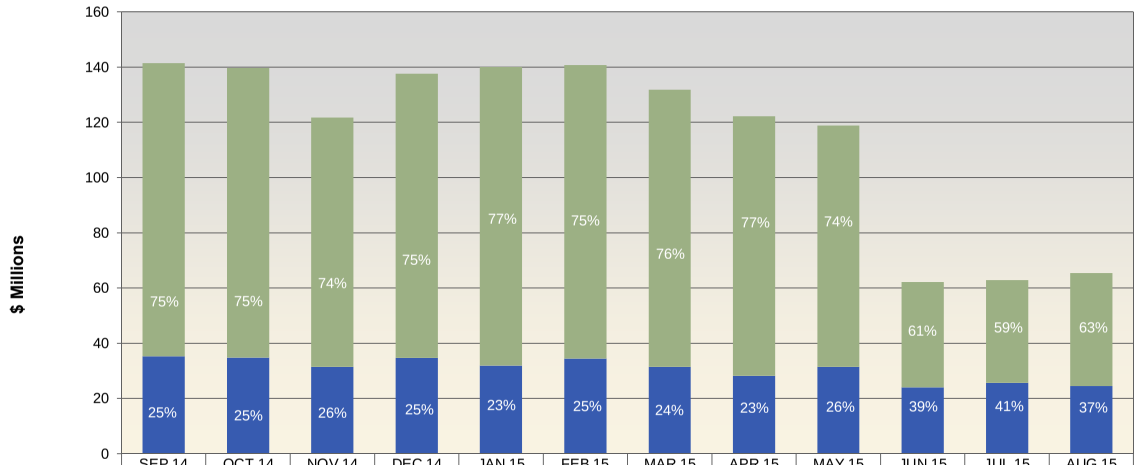
## Paid Claims Composition (excluding Pharmacy and Capitation Payments)




| | SEP 14 | OCT 14 | NOV 14 | DEC 14 | JAN 15 | FEB 15 | MAR 15 | APR 15 | MAY 15 | JUN 15 | JUL 15 | AUG 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Current | 4.50 | 4.57 | 3.25 | 4.14 | 3.50 | 2.91 | 5.30 | 5.32 | 4.30 | 6.26 | 4.85 | 5.65 |
| 30 | 11.15 | 10.13 | 10.15 | 9.96 | 10.20 | 9.30 | 11.63 | 12.52 | 11.31 | 14.05 | 11.29 | 12.83 |
| 60 | 4.90 | 3.89 | 4.29 | 4.61 | 4.00 | 4.64 | 6.56 | 5.34 | 4.36 | 5.50 | 5.67 | 5.22 |
| 90 | 1.95 | 1.56 | 1.35 | 1.03 | 1.90 | 1.68 | 2.01 | 3.31 | 1.81 | 1.81 | 2.89 | 1.61 |
| 120+ | 3.90 | 3.66 | 3.05 | 3.35 | 3.10 | 2.97 | 3.57 | 3.73 | 3.28 | 6.26 | 3.77 | 2.33 |

**Note: Paid Claims Composition** - reflects adjusted medical claims payment lag schedule.
Months Indicated with 5* represent months for which there were 5 claim payments. For all other months, 4 claim payments were made.

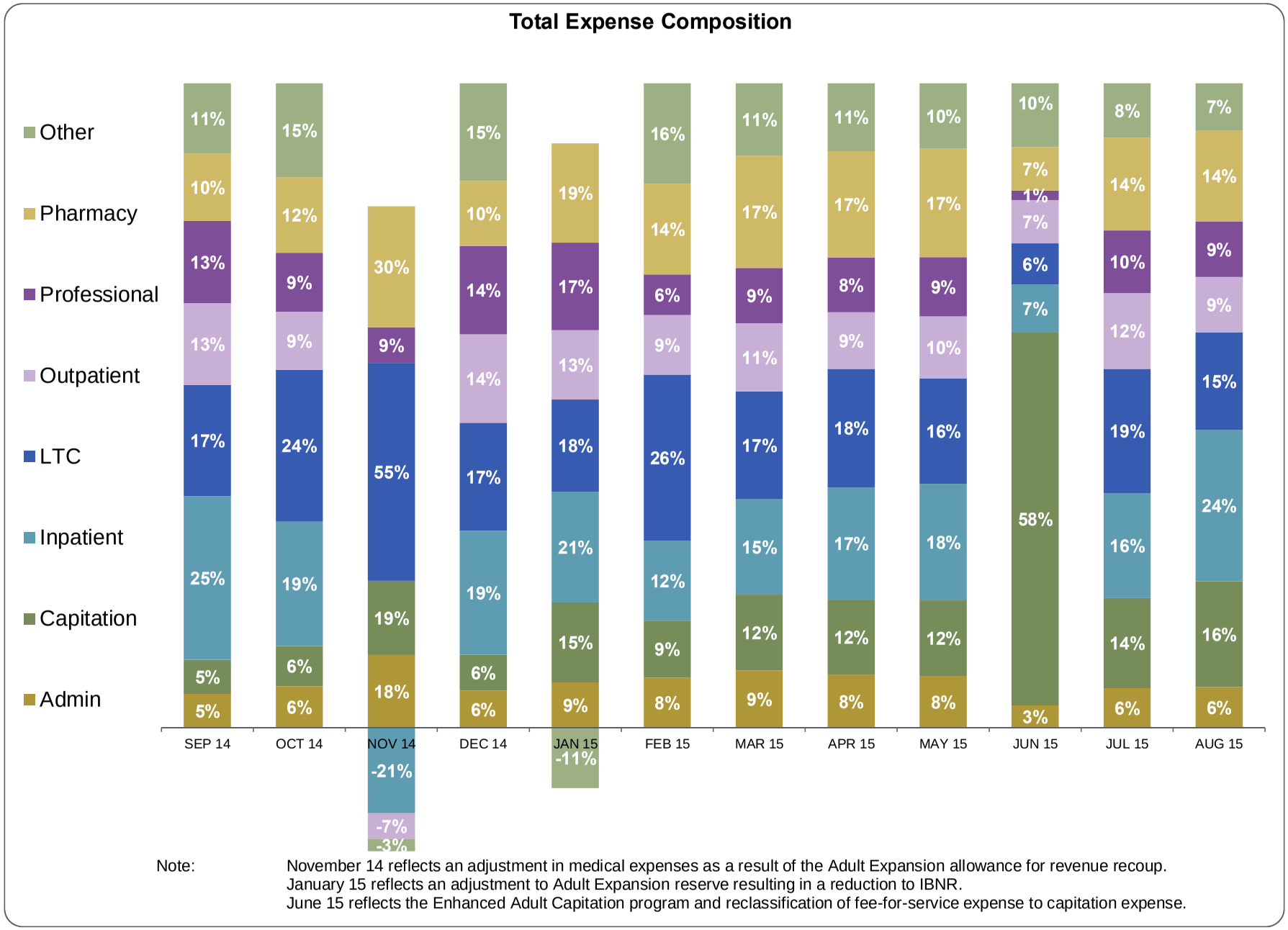
## IBNP Composition (excluding Pharmacy and Capitation)




| | SEP 14 | OCT 14 | NOV 14 | DEC 14 | JAN 15 | FEB 15 | MAR 15 | APR 15 | MAY 15 | JUN 15 | JUL 15 | AUG 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Prior Month Unpaid | 106.07 | 104.95 | 90.22 | 102.84 | 108.19 | 106.23 | 100.37 | 94.05 | 87.42 | 38.18 | 37.18 | 40.91 |
| Current Month Unpaid | 35.33 | 34.78 | 31.45 | 34.71 | 31.86 | 34.48 | 31.46 | 28.17 | 31.40 | 23.99 | 25.68 | 24.48 |
| Total Unpaid | 141.40 | 139.73 | 121.67 | 137.55 | 140.05 | 140.71 | 131.82 | 122.22 | 118.82 | 62.17 | 62.86 | 65.40 |

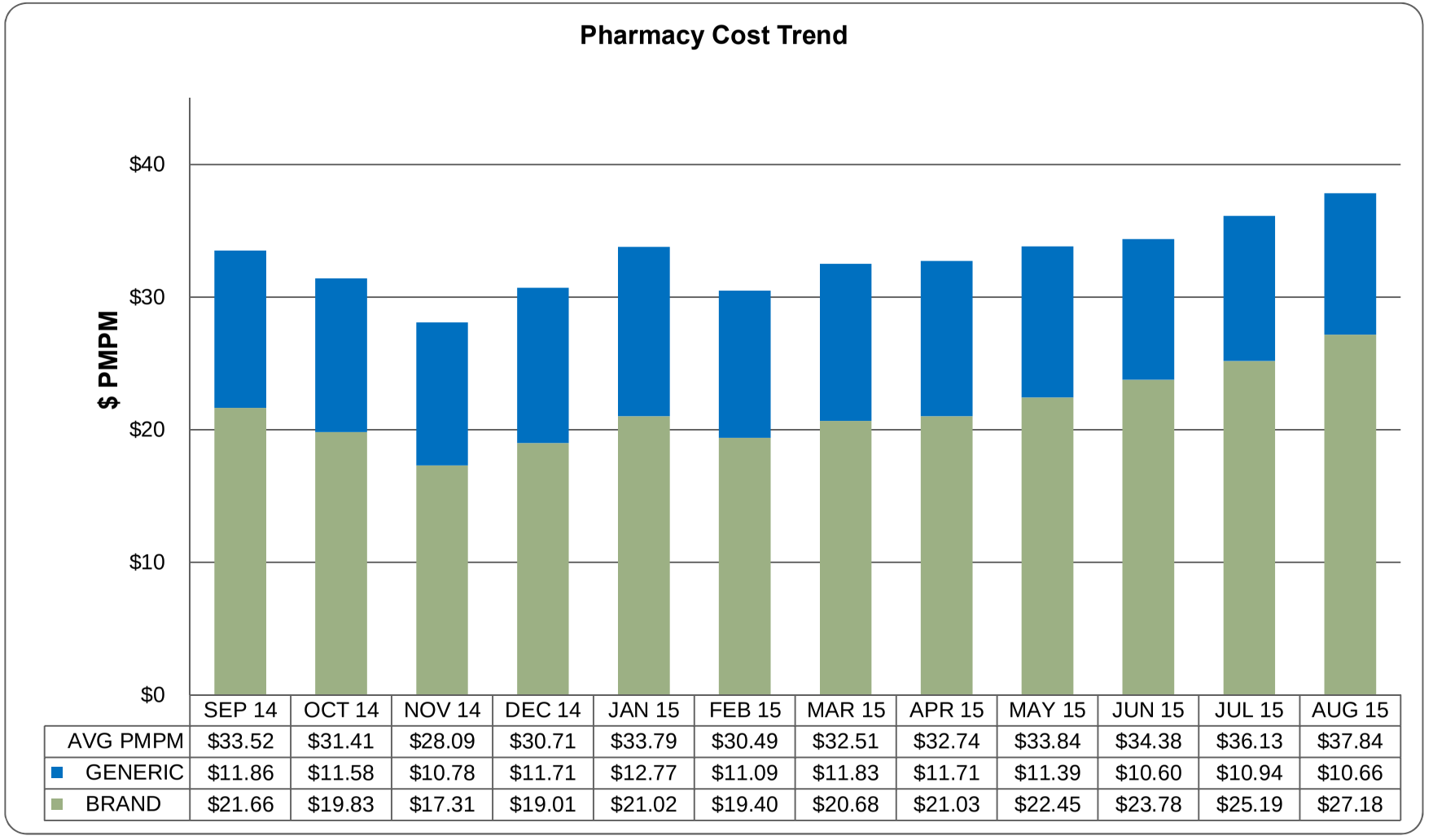
**Note: IBNP Composition** - reflects updated medical cost reserve calculation plus total system claims payable.

## GOLD COAST HEALTH PLAN



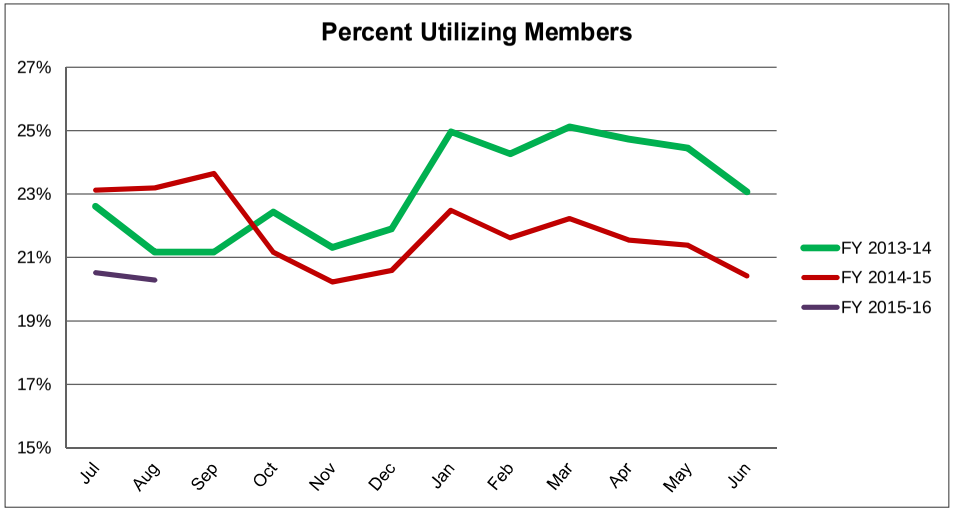

Note: November 14 reflects an adjustment in medical expenses as a result of the Adult Expansion allowance for revenue recoup.
January 15 reflects an adjustment to Adult Expansion reserve resulting in a reduction to IBNR.
June 15 reflects the Enhanced Adult Capitation program and reclassification of fee-for-service expense to capitation expense.

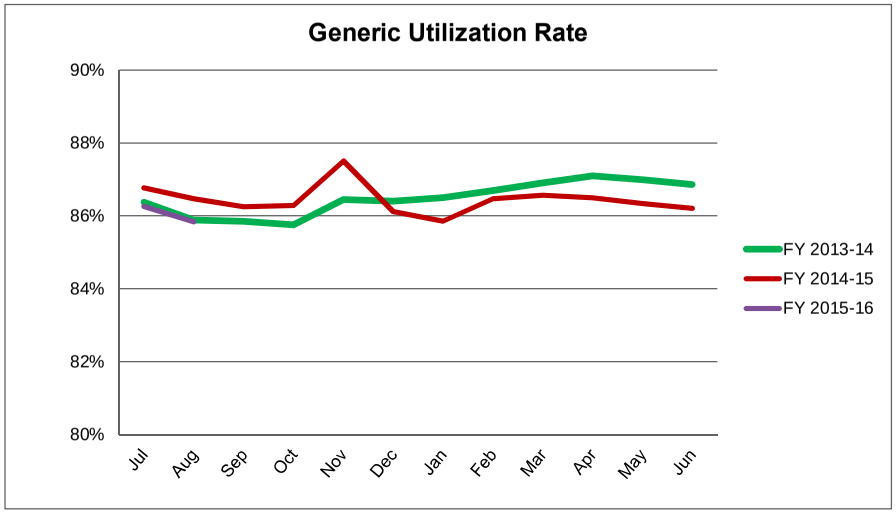
# GOLD COAST HEALTH PLAN



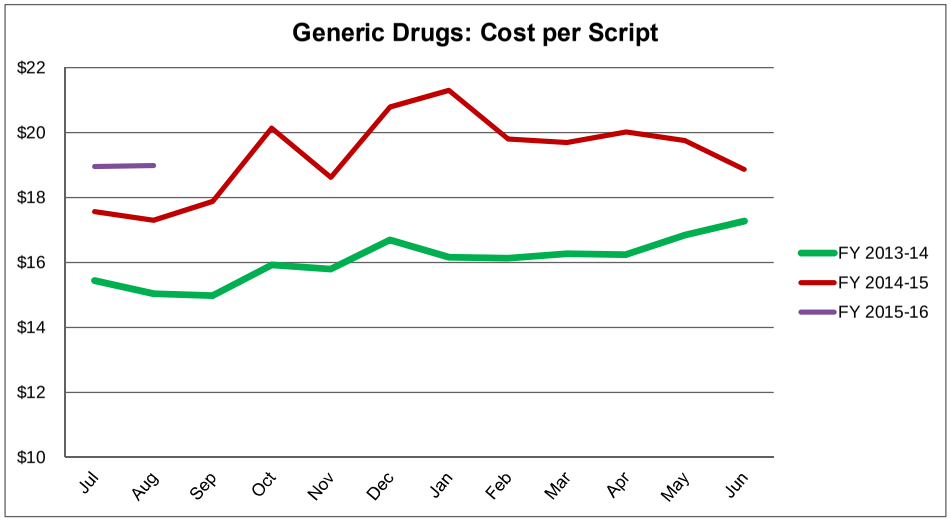

| | SEP 14 | OCT 14 | NOV 14 | DEC 14 | JAN 15 | FEB 15 | MAR 15 | APR 15 | MAY 15 | JUN 15 | JUL 15 | AUG 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AVG PMPM | $33.52 | $31.41 | $28.09 | $30.71 | $33.79 | $30.49 | $32.51 | $32.74 | $33.84 | $34.38 | $36.13 | $37.84 |
| GENERIC | $11.86 | $11.58 | $10.78 | $11.71 | $12.77 | $11.09 | $11.83 | $11.71 | $11.39 | $10.60 | $10.94 | $10.66 |
| BRAND | $21.66 | $19.83 | $17.31 | $19.01 | $21.02 | $19.40 | $20.68 | $21.03 | $22.45 | $23.78 | $25.19 | $27.18 |

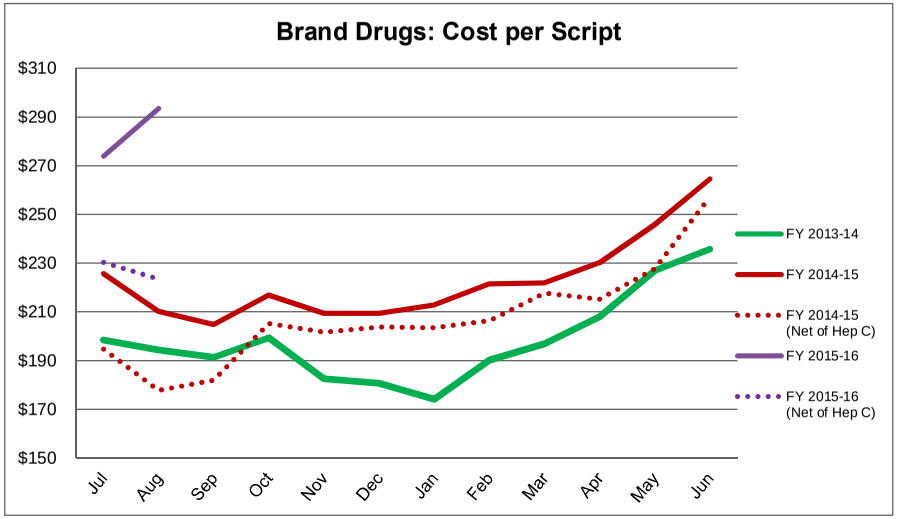
**GOLD COAST HEALTH PLAN**
**Pharmacy Analysis**




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



# GCHP 2016 Commission Meeting Schedule

**Commission Meetings begin at 3:00 p.m**

Gold Coast Health Plan℠
A Public Entity

**Commission meetings are held on the 4th Monday every month**

*Proposed Meeting Schedule*
***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 |
| 24/31 | 25[1] | 26 | 27 | 28 | 29 | 30 |

| 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[3] | 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[2] | 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[1] | 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[1] | 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[2] | 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 |
| 24/31 | 25[1] | 26 | 27 | 28 | 29 | 30 |

| 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[1] | 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[2] | 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[1] | 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[2] | 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 |

**LOCATION OF MEETING:** 800 Victoria Avenue, Ventura, CA [1] Hall of Administration / Multi-Purpose Room [2] Hall of Administration / Lower Plaza Assembly Room [3] Hall of Justice / Pacific Conference Room

Gold Coast Health Plan℠
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**AGENDA ITEM 4.a.**

TO: Gold Coast Health Plan Commission

FROM: Dale Villani, CEO

DATE: October 26, 2015

RE: CEO Update

## GOVERNMENT AFFAIRS:

### Governor Brown Signs / Vetoes Medi-Cal Bills

On October 11, 2015, Governor Brown signed/vetoed a number of Medi-Cal related bills. Among these were:

- SB 137 which requires that health plans update their online provider directory on a weekly basis.
- SB 36 authorizes Department of Health Care Services (DHCS) to request a temporary extension for the existing 1115 waiver if Centers for Medicaid and Medicare Services (CMS) has not approved the waiver renewal by November 1, 2015.
- AB 187 extends the carve-out of the California Children's Services (CCS) program from Medi-Cal managed care until January 1, 2017.
- SB 4 requires children less than 19 years of age enrolled in restricted scope Medi-Cal to be enrolled in full-scope Medi-Cal.

### The Partnership for Medicaid and ACAP Host Capitol Hill Policy Briefing

On September 28, 2015, the Partnership for Medicaid and the Association for Community Affiliated Plans (ACAP) held a Capitol Hill briefing highlighting the ways that Medicaid has evolved over the last 50 years. Guillermo Gonzalez, Director of Government Affairs, served as a panelist. Director Gonzalez provided an overview to Congressional staff of GCHP's initiative to serve seasonal agricultural workers who move between Orange and Monterey Counties. See ACAP's newsletter for more information.

### Childhood Asthma Stakeholder Discussion

On October 6, 2015, GCHP held a childhood asthma stakeholder meeting. Attendees included representatives from Ventura County elected officials, county agencies and community stakeholders. Initial discussion focused on understanding the impact of childhood asthma in Ventura County and exploring ways to tackle the issue. The intent of this stakeholder discussion is to strengthen the partnership between GCHP and its community partners.

**Attachments**
Legislative Bills

**COMPLIANCE:**

Gold Coast Health Plan (GCHP) had auditors from Audits & Investigations (A&I) a division within the Department of Health Care Services (DHCS) from February 17- February 25, 2015. The purpose of the onsite is to conduct the annual medical audit which includes: interviewing staff, review files and processes. The review period of the audit was December 1, 2013 through November 30, 2014. The plan was slated to receive the draft report on April 13, 2015 however A&I issued the draft report on July 8, 2015. The draft report was in conjunction with the exit conference between: A&I, DHCS and GCHP staff on July 8, 2015. The Plan had 15 calendar days to provide additional material to demonstrate compliance and or additional clarification information. Compliance staff is working with DHCS on the Corrective Action Plan (CAP) process.

The DHCS corrective action plan, Financial (Addendum A) remains open and the plan continues to submit items on a monthly basis as required and defined by the CAP.

Compliance continues to monitor and ensure all employees and temporary employees are trained and retrained on HIPAA and Fraud, Waste & Abuse. Compliance staff has revised all of the HIPAA privacy policies and procedures and developed a comprehensive privacy program.

GCHP continues to meet all regulatory contract submission requirements. In addition to routine deliverables GCHP provides weekly and monthly reports to DHCS as a part of ongoing monitoring activities. All regulatory agency inquiries and requests are handled timely and required information is provided within the required timeframe. Compliance staff is actively engaged in sustaining contract compliance.

GCHP compliance committee continues to meet on a monthly basis. The committee reviewed a status update by compliance staff relative to the delegate who is currently under a financial sanction. The delegate remains under the Plan imposed financial sanction, the CAP remains open and additional reporting requirements have been requested for monitoring. Onsite meetings between executive staff at GCHP and the delegate have also occurred. The delegate is committed to addressing the issues and the Plan continues to monitor performance on the CAP. The Plan is committed to holding all delegates accountable.

GCHP is required to conduct delegation oversight audits on functions which are delegated. Routine reporting from delegates to the Plan is contractually required and must be actively

monitored. Reporting statistics from delegates can be found in the compliance dashboard. An annual audit schedule was created and staff is working through each audit.
A six month follow up audit was conducted on May 4, 2015 specific to claims processing on our mental health behavioral organization (MBHO). A CAP was issued on May 14, 2015 and remains open. A routine annual audit on utilization management audit was conducted on the specialty contract delegate on June 9, 2015. A CAP was issued to the delegate on July 13, 2015. The delegate responded however the deficiencies were not addressed to achieve compliance therefore the CAP will remain open and a second CAP letter was issued on August 31, 2015. The Plan received a response from the delegate on October 14, 2015 and staff is currently reviewing the material. The routine annual onsite audit on the Plans Vision provider was conducted on October 19, 20 & 21, 2015.

The Plan continues to monitor delegates through contractual required reporting. Reports are reviewed and when deficiencies are identified the Plan issues letters of non-compliance. This process is monitored, tracked and reported to the compliance committee. In addition the aggregate information is provided to the commission on the compliance dashboard.

**Attachments**
Compliance Dashboard

# ATTACHMENTS

# Legislative Bills

| Bill | Summary | Impact to GCHP |
|---|---|---|
| **AB 187:** Medi-Cal managed care: California Children's Services Program.<br>**Status:** Signed by the Governor<br>**Impact:** **Low** | Extends the carve-out of California Children's Services (CCS) from Medi-Cal managed care until January 1, 2017. | CCS services would be carved out from Gold Coast Health Plan (GCHP) until January 2017. |
| **AB 1231:** Medi-Cal: Non-medical Transportation.<br>**Status:** Vetoed by the Governor<br>**Impact:** **Medium** | Adds to the schedule of benefits non-medical transportation services for covered specialty care that is subject to utilization controls and federally permissive time and distance standards. | Potential annual costs to health plans for this service may be significant. However, the actual cost of mandating Non-medical Transportation (NMT) as a covered benefit in Medi-Cal will depend on several factors, including the number of members requiring specialty services which are subject to uncertainty and change. |
| **AB 1162:** Medi-Cal: Tobacco Cessation.<br>**Status:** Vetoed by the Governor<br>**Impact:** **Medium** | Includes at a minimum four quit attempts per year with no required break between attempts, requires at least four tobacco cessation counseling sessions per quit attempt, and a twelve (12) week treatment regime of any medication approved by the Federal Drug Administration (FDA) including over-the-counter medication. At least one (1) prescription medication and all over-the-counter medications shall be available without prior authorization. | GCHP currently follows the Department of Health Care Services (DHCS) policy guidance put forth in September 2014. AB 1162 would require GCHP to cover the additional proposed benefits described in the bill summary section. |
| **SB 4:** Health Care Coverage: Immigration Status.<br>**Status:** Signed by the Governor<br>**Impact:** **High**<br>**Implementation Date:** May 1, 2016 | Provides Medi-Cal coverage to all eligible children under nineteen (19) years old regardless of immigration status. Transition of children in restricted scope Medi-Cal to full-scope Medi-Cal will commence after the Director of DHCS determines that the systems have been programmed for implementation but no sooner than May 1, 2016. | The FY 2015-16 state budget includes full-scope Medi-Cal coverage for all eligible children regardless of immigration status up to age nineteen (19). GCHP enrollment is expected to increase. |
| **SB 36**: Medi-Cal: demonstration project.<br>**Status**: Sent to the Governor<br>**Impact:** **High**<br>**Implementation Date:** Urgency Clause | Authorizes DHCS to request a temporary extension for the existing 1115 waiver if CMS has not approved the 1115 waiver renewal before November 1, 2015. The proposed "Medi-Cal 2020" waiver is expected to bring between $15-$20 billion to Medi-Cal over a five (5) year period. | There are additional pilot demonstration programs in the waiver that GCHP could participate in such as health homes and workforce development pilot programs. |

# Legislative Bills

| Bill | Summary | Impact to GCHP |
|---|---|---|
| **SB 137:** Health Care Coverage: Provider Directories.<br>**Status:** Sent to the Governor<br>**Impact:** **High**<br>**Implementation Date: July 1, 2016** | Requires the online provider directory to be updated at least weekly. Authorizes health plans to delay payment or reimbursement owed to a provider or provider group after steps have been taken to obtain a response to the provider. | Requires GCHP to update its online provider directory on a weekly basis. |

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# COMPLIANCE REPORT 2015

| Category | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Hotline**<br>A confidential telephone and web-based process to collect info on compliance, ethics, and FWA | Referrals *one referral can be sent to multiple referral agencies* | 5 | 4 | 9 | 4 | 6 | 2 | 1 | 4 | 9 | | | |
| **Hotline Referral *FWA** | Department of Health Care Services Program Integrity Unit / A&I | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 2 | | | |
| **Hotline Referral *FWA** | Department of Justice | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| **Hotline Referral** | Internal Department (i.e. Grievance & Appeals, Customer Services etc.) | 5 | 4 | 9 | 4 | 6 | 2 | 0 | 4 | 6 | | | |
| **Hotline Referral** | External Agency (i.e. HSA) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| **Hotline Referral** | Other * Legal, HR, DHCS (Division outside of PIU i.e. eligibility, note to reporter), etc. | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | | | | | | | | | | | | | |
| **Delegation Oversight** | Delegated Entities | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | | | |
| The committee's function is to ensure that delegated activities of subcontracted entities are in compliance with standards set forth from GCHP contract with DHCS and all applicable regulations | Reporting Requirements Reviewed ** | 72 | 57 | 47 | 70 | 66 | 55 | 72 | 74 | 53 | | | |
| | Audits conducted | 3 | 0 | 2 | 1 | 1 | 1 | 2 | 0 | 1 | | | |
| **Delegation Oversight** | Letters of Non-Compliance | 0 | 0 | 0 | 2 | 1 | 1 | 1 | 1 | 2 | | | |
| **Delegation Oversight** | Corrective Action Plan(s) Issued to Delegates | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | | | |
| | | | | | | | | | | | | | |
| **Audits** | Total | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| External regulatory entities evaluate GCHP compliance with contractual obligations. | Medical Loss Ratio Evaluation performed by DMHC via interagency agreement with DHCS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | DHCS Facility Site Review & Medical Records Review *Audit was conducted in 2013* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | HEDIS Compliance Audit (HSAG) | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | DHCS Member Rights and Program Integrity Monitoring Review *Review was conducted in 2014* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | DHCS Medical Audit *Audit was conducted in 2014* | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |

| Category | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Fraud, Waste & Abuse** | Total Investigations | 5 | 4 | 9 | 4 | 6 | 2 | 1 | 4 | 9 | | | |
| The Fraud Waste and Abuse Prevention process is intended to prevent, detect, investigate, report and resolve suspected and /or actual FWA in GCHP daily operations and interactions, whether internal or external. | Investigations of Providers | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | | | |
| | Investigations of Members | 5 | 4 | 9 | 4 | 5 | 2 | 1 | 4 | 8 | | | |
| | Investigations of Other Entities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | Fulfillment of DHCS/DOJ or other agency Claims Detail report Requests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| **HIPAA** | Referrals | 2 | 4 | 2 | 1 | 1 | 1 | 1 | 0 | 1 | | | |
| Appropriate safeguards, including administrative policies and procedures, to protect the confidentiality of health information and ensure compliance with HIPAA regulatory requirements. | State Notification | 1 | 4 | 2 | 1 | 1 | 1 | 1 | 0 | 1 | | | |
| | Federal Notification | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| | Member Notification | 0 | 1 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | | | |
| | HIPAA Internal Audits Conducted | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | | | |
| **Training** | **Training Sessions** | 12 | 4 | 9 | 3 | 12 | 151 ^^ | 39 | 8 | 17 | | | |
| Staff are informed of the GCHP's Code of conduct, Fraud Waste and Abuse Prevention Program, and HIPAA | Fraud, Waste & Abuse Prevention | 4 | 1 | 3 | 1 | 4 | 73 | 19 | 4 | 7 | | | |
| | Fraud, Waste & Abuse Prevention (Member Orientations) | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | | | |
| | Code of Conduct | 4 | 1 | 3 | 1 | 4 | 5 | 1 | 1 | 1 | | | |
| | HIPAA (Individual Training) | 4 | 1 | 3 | 1 | 4 | 73 | 19 | 4 | 7 | | | |
| | HIPAA (Department Training) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | | | |

** Reporting Requirements are defined by functions delegated and contract terms. Revised contracts, amendments or new requirements form DHCS may require additional requirements from subcontractors as a result the number is fluid.

** Audits- Please note multiple audits have been conducted on the Plan, however many occurred in 2012 and 2013 and will be visible on the annual comparison dashboard.

** This report is intended to provide a high level overview of certain components of the compliance department and does not include/reflect functions the department is responsible for on a daily basis.

^^Training Sessions: 5 new employees, along with 68 yearly training.

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**AGENDA ITEM 4.b.**

TO: Gold Coast Health Plan Commission

FROM: Patricia Mowlavi, CFO

DATE: October 26, 2015

RE: CFO Update

**External Audit**

The FY 2013-14 audited financials were sent to Department of Health Care Services (DHCS) for review on Friday, October 2, 2015. The financial results are consistent with the information reviewed at the September 28, 2015 Commission Meeting. Staff is working diligently with the new Auditors, Moss Adams, to complete the FY 2014-15 audit as quickly as possible. The major phase of the audit could not start until the FY 2013-14 financials were issued and access provided to McGladrey work papers. Moss Adams has done an outstanding job of expediting the audit and expects to present the FY 2014-15 audited financials at the November 16, 2015 Commission Meeting.

Immediately upon receipt of the audited FY 2014-15 financials, GCHP will file with DHCS and request to start the Lines of Credit (LOC) repayment process discussions. The Plan's goal is to repay the LOC as soon possible.

**Internal Audit**

The Audit Committee Charter was adopted at the September 28, 2015 Commission Meeting. GCHP's internal audit process is being established with assistance from Marty Haisma of Etonien. The internal audit function is intended to bring a systematic and disciplined approach to evaluate the effectiveness of the organization's governance, risk management and internal control.

The Audit Committee appointments are anticipated to take place at the November 16, 2015 Commission Meeting. The Audit Committee will review the draft Internal Audit Activity Policies and Procedures and the Audit Plan Guidelines. An audit plan will be established based on organizational risk and the internal audit reports will be presented to the Audit Committee and Commission. The Plan will hire an Internal Auditor; the newly created position is included in the FY 2015-16 budget. This position will report functionally to the Commission and administratively to the CEO or the CFO.

**ACA 1202 – Increased Payment to Primary Care Providers**
GCHP continues communications encouraging eligible providers to send documentation required for ACA 1202 payment and has seen a recent increase in W 9's received. GCHP will make payments through the end of the calendar year for this program.

**AB 85 - Inter Governmental Transfer (IGT)**
The FY 2013-14 IGT was received and paid in early October. IGTs are a valuable opportunity to attract federal funding, in support of Medi-Cal.

**ACA Adult Expansion (AE)**
At the inception of the AE in January 2014, DHCS assumed the population would be higher risk and set rates accordingly. Since that time, DHCS has reduced rates three times (3% in July 2014, 20% in January 2015 and 23% in July 2015) which reflects the lower than expected utilization for this population. As members learn to navigate the program, utilization has been increasing and DHCS continues to analyze and evaluate data. GCHP has maximized provider payments, as permitted by the program, to include reimbursement for non-contract services. However, even with the increased utilization and enhanced payments, a reserve for revenue rate reductions was required to achieve the Centers for Medicare & Medicaid Services (CMS) mandated medical loss ratio of 85%.

GCHP reflects the rate reduction reserve in the revenue section of the financial statements. The repayment of this portion of the reserve is anticipated after July 2016. The reserve for rate reduction also includes the expected refund of AE rate overpayments. GCHP intends to refund the overpaid rates in January 2016, per guidance from DHCS. Due to DHCS system issues, DHCS has been paying at the July 2014 rates and not at the published January 2015 and July 2015 rates.

**Tangible Net Equity (TNE) Comparison – Public Plans**
GCHP TNE is approximately 485% of the State requirement, excluding the County of Ventura LOC. It is the second lowest TNE compared to the other County Organized Health Systems. GCHP has been targeting 500% TNE and is in the process of developing a TNE policy to present to the Commission.

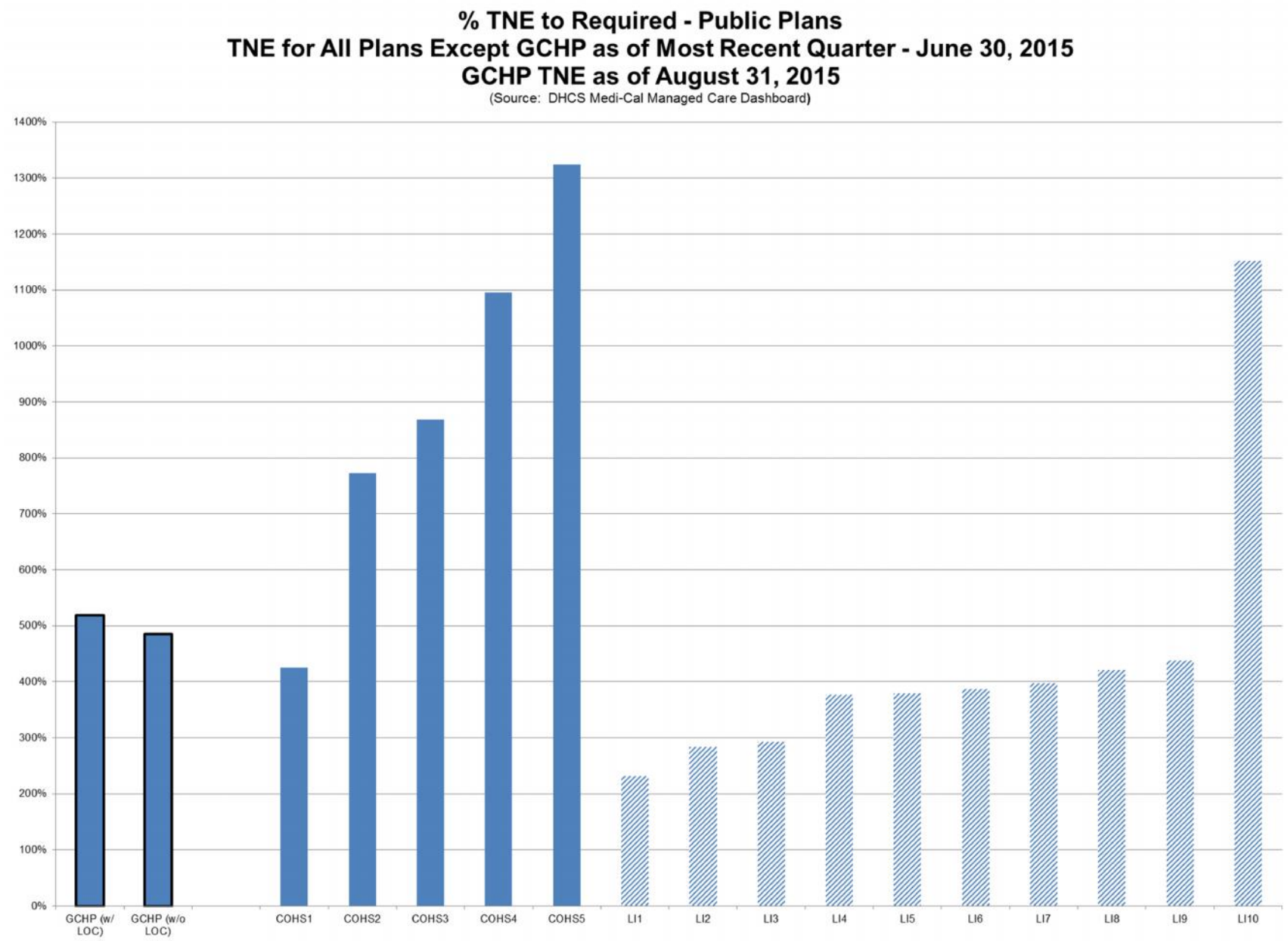
**Financial Performance Dashboard**

- Membership growth is stabilizing, after a period of tremendous growth, with the addition of AE and Targeted Low Income Child (TLIC).
- Adult / Family category represents the majority of membership while AE contributes a greater portion of revenue.
- Medical Loss Revenue (MLR) is expected to increase with pressure on rates (e.g. AE rate reduction), increase in healthcare benefits and costs (undocumented children,

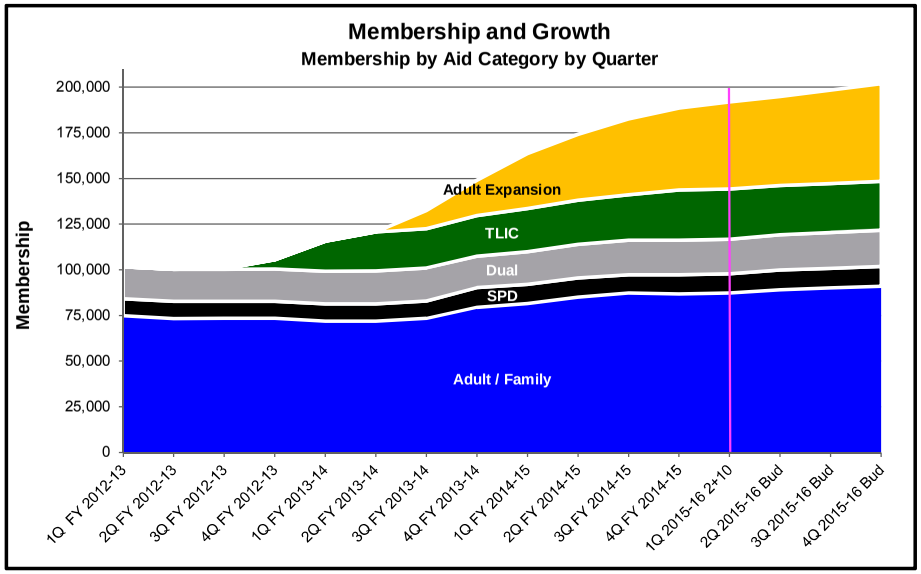
pregnant women expansion, autistic children benefit).

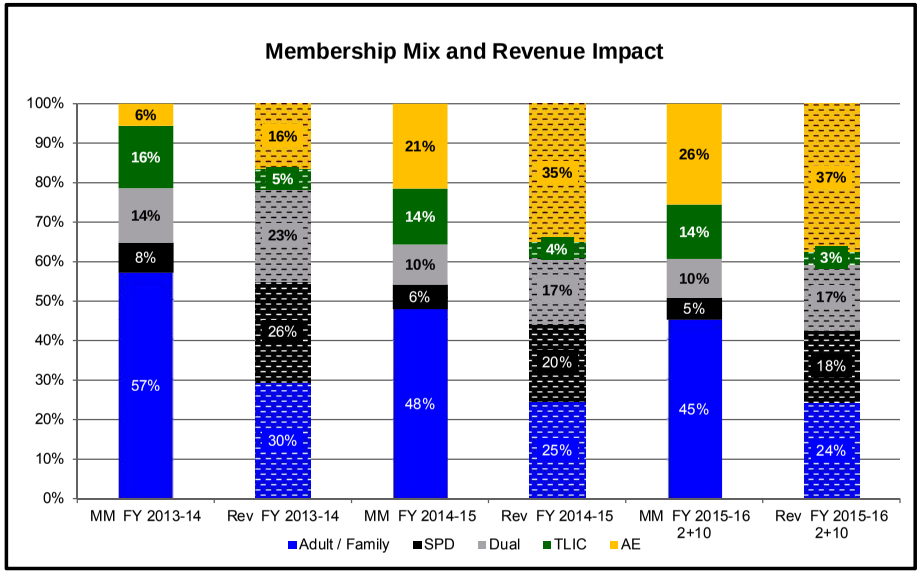
- Operating gains, driven by the AE, are returning to more modest rate – DHCS rates are typically calculated assuming an operating gain of around 2%.
- TNE is approaching 500% target and stabilizing.

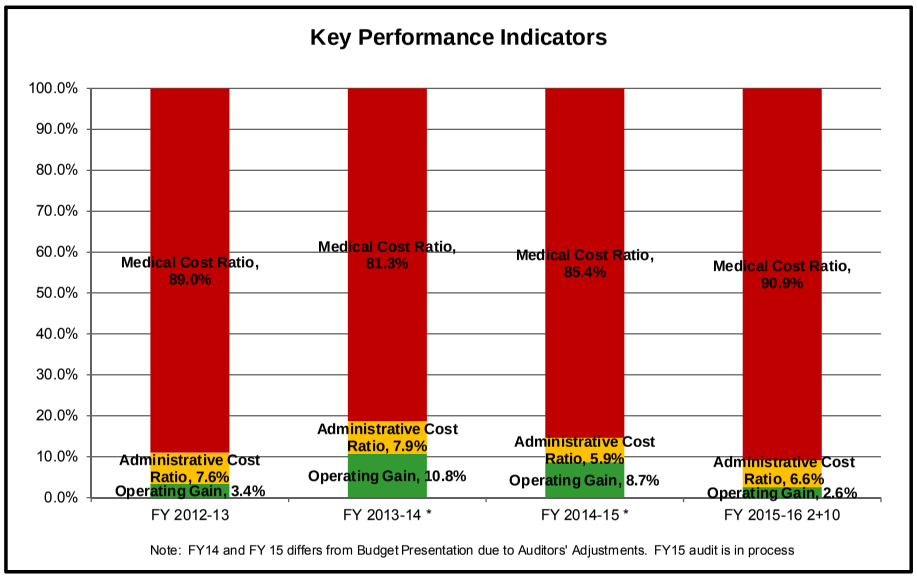
# ATTACHMENTS


% TNE to Required - Public Plans
TNE for All Plans Except GCHP as of Most Recent Quarter - June 30, 2015
GCHP TNE as of August 31, 2015
(Source: DHCS Medi-Cal Managed Care Dashboard)
1400%
1300%
1200%
1100%
1000%
900%
800%
700%
600%
500%
400%
300%
200%
100%
0%
GCHP (w/ LOC)
GCHP (w/o LOC)
COHS1
COHS2
COHS3
COHS4
COHS5
LI1
LI2
LI3
LI4
LI5
LI6
LI7
LI8
LI9
LI10

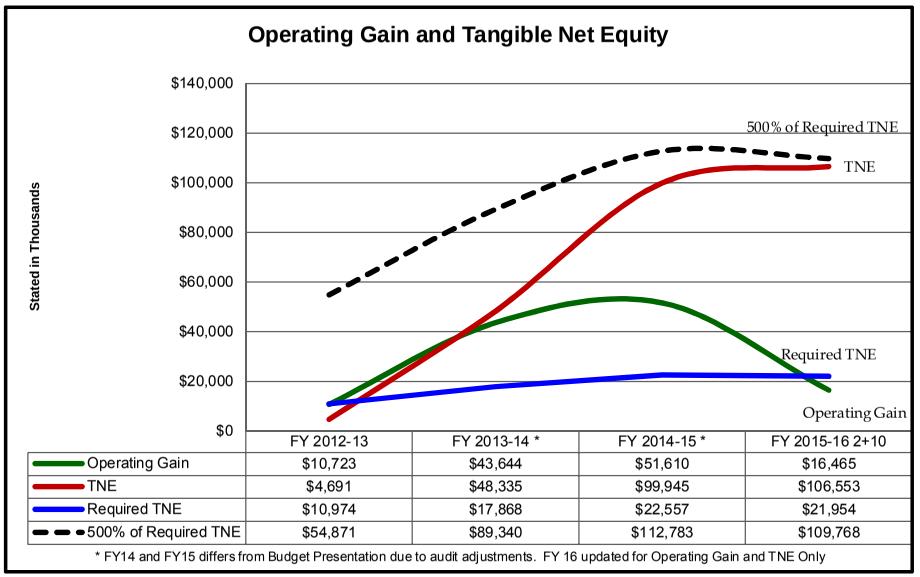
# Financial Performance
## For Month Ending August 31, 2015




Note: FY14 and FY 15 differs from Budget Presentation due to Auditors' Adjustments. FY15 audit is in process




| | FY 2012-13 | FY 2013-14 * | FY 2014-15 * | FY 2015-16 2+10 |
|---|---|---|---|---|
| Operating Gain | $10,723 | $43,644 | $51,610 | $16,465 |
| TNE | $4,691 | $48,335 | $99,945 | $106,553 |
| Required TNE | $10,974 | $17,868 | $22,557 | $21,954 |
| 500% of Required TNE | $54,871 | $89,340 | $112,783 | $109,768 |

* FY14 and FY15 differs from Budget Presentation due to audit adjustments. FY 16 updated for Operating Gain and TNE Only

Note: 2+10 indicates 2 months of actual results followed by 8 months of forecasts

**GOLD COAST HEALTH PLAN**
**Financial Results Summary**

| Description | AUDITED* FY 2011-12 | AUDITED* FY 2012-13 | AUDITED FY 2013-14 | UNAUDITED FY 2014-15 | FY 2015-16 JUL - AUG | Budget Comparison Budget YTD | Budget Comparison Variance Fav / (Unfav) |
|---|---|---|---|---|---|---|---|
| **Member Months** | **1,258,189** | **1,223,895** | **1,553,660** | **2,130,979** | **383,181** | **382,112** | 1,069 |
| **Revenue** | **304,635,932** | **315,119,611** | **402,701,476** | **596,219,281** | **105,306,621** | **103,590,130** | 1,716,491 |
| *pmpm* | *242.12* | *257.47* | *259.20* | *279.79* | *274.82* | *271.10* | 3.72 |
| **Health Care Costs** | **287,353,672** | **280,382,704** | **327,305,832** | **509,183,268** | **92,512,508** | **94,169,709** | 1,657,201 |
| *pmpm* | *228.39* | *229.09* | *210.67* | *238.94* | *241.43* | *246.45* | 5.01 |
| % of Revenue | 94.3% | 89.0% | 81.3% | 85.4% | 87.9% | 90.9% | 3.1 % |
| **Admin Exp** | **18,891,320** | **24,013,927** | **31,751,533** | **35,425,960** | **6,186,855** | **7,004,802** | 817,947 |
| *pmpm* | *15.01* | *19.62* | *20.44* | *16.62* | *16.15* | *18.33* | 2.19 |
| % of Revenue | 6.2% | 7.6% | 7.9% | 5.9% | 5.9% | 6.8% | 0.9 % |
| **Total Increase / (Decrease) in Unrestricted Net Assets** | **(1,609,063)** | **10,722,980** | **43,644,110** | **51,610,053** | **6,607,258** | **2,415,619** | 4,191,638 |
| *pmpm* | *(1.28)* | *8.76* | *28.09* | *24.22* | *17.24* | *6.32* | 10.92 |
| % of Revenue | -0.5% | 3.4% | 10.8% | 8.7% | 6.3% | 2.3% | 3.9% |
| **YTD** | | | | | | | |
| 100% TNE | 16,769,368 | 16,138,440 | 17,867,986 | 22,556,530 | 21,953,653 | 23,367,191 | (1,413,538) |
| % TNE Required | 36% | 68% | 100% | 100% | 100% | 100% | |
| Minimum Required TNE | 6,036,972 | 10,974,139 | 17,867,986 | 22,556,530 | 21,953,653 | 23,367,191 | (1,413,538) |
| **GCHP TNE** | **(6,031,881)** | **11,891,099** | **55,535,211** | **107,145,264** | **113,752,522** | **82,394,345** | **31,358,177** |
| TNE Excess / (Deficiency) | **(12,068,853)** | **916,960** | **37,667,225** | **84,588,734** | **91,798,869** | **59,027,154** | **32,771,715** |
| % of Required TNE level | | | **311%** | **475%** | **518%** | **353%** | |
| % of Required TNE level (excluding $7.2 million LOC) | | | **271%** | **443%** | **485%** | **322%** | |

Gold Coast Health Plan℠
A Public Entity

**AGENDA ITEM 4.c.**

TO: Gold Coast Health Plan Commission

FROM: Ruth Watson, COO

DATE: October 26, 2015

RE: COO Update

## OPERATIONS UPDATE

### Membership Update – October 2015

Gold Coast Health Plan (GCHP) had a net membership increase of 3,672 this month, bringing the total number of members to 196,857 as of October 1, 2015. GCHP's membership has increased by 78,345 or 66% since January 2014. The cumulative new membership since January 1, 2014 is summarized as follows:

| Aid Code | # of New Members |
|---|---|
| L1 – Low Income Health Plan (LIHP) | 2,515 |
| M1 – Adult Expansion | 46,138 |
| 7U – CalFresh Adults | 2,525 |
| 7W – CalFresh Children | 682 |
| 7S – Parents of 7Ws | 354 |
| Traditional Medi-Cal | 26,131 |
| Total New Membership 1/1/14 – 10/1/15 | 78,345 |

Members assigned to a M1 aid code continues to increase. All other Medi-Cal Expansion aid codes decreased either due to re-determination into other aid codes or loss of coverage. GCHP had 65 potential new members transitioning from Covered CA as of October 1, 2015; 43 were identified as new to GCHP on the October eligibility file from DHCS.

| | 15-Jul | 15-Aug | 15-Sep | 15-Oct | 15-Nov | 15-Dec |
|---|---|---|---|---|---|---|
| **L1** | 3,218 | 3,039 | 2,698 | 2,515 | 0 | 0 |
| **M1** | 40,948 | 42,465 | 44,260 | 46,138 | 0 | 0 |
| **7U** | 2,918 | 2,766 | 2,654 | 2,525 | 0 | 0 |
| **7W** | 770 | 746 | 733 | 682 | 0 | 0 |
| **7S** | 355 | 380 | 360 | 354 | 0 | 0 |

| | 15-Jan | 15-Feb | 15-Mar | 15-Apr | 15-May | 15-Jun |
|---|---|---|---|---|---|---|
| **L1** | 6,508 | 6,128 | 4,965 | 4,102 | 3,908 | 3,413 |
| **M1** | 30,107 | 31,203 | 34,350 | 35,582 | 37,519 | 39,283 |
| **7U** | 3,390 | 3,342 | 3,236 | 3,162 | 3,083 | 2,986 |
| **7W** | 872 | 872 | 856 | 831 | 813 | 781 |
| **7S** | 478 | 442 | 396 | 381 | 379 | 353 |

| | 14-Jul | 14-Aug | 14-Sep | 14-Oct | 14-Nov | 14-Dec |
|---|---|---|---|---|---|---|
| **L1** | 7,839 | 7,726 | 7,568 | 7,443 | 7,289 | 6,972 |
| **M1** | 15,606 | 18,585 | 21,944 | 23,569 | 24,060 | 27,176 |
| **7U** | 3,453 | 3,400 | 3,368 | 3,312 | 3,254 | 3,204 |
| **7W** | 667 | 624 | 606 | 296 | 599 | 589 |
| **7S** | 4 | 4 | 5 | 11 | 14 | 15 |

| | 14-Jan | 14-Feb | 14-Mar | 14-Apr | 14-May | 14-Jun |
|---|---|---|---|---|---|---|
| **L1** | 7,618 | 8,083 | 8,154 | 8,134 | 8,118 | 7,975 |
| **M1** | 183 | 1,550 | 2,482 | 4,514 | 7,279 | 10,910 |
| **7U** | 0 | 0 | 1,741 | 3,584 | 3,680 | 3,515 |
| **7W** | 0 | 0 | 0 | 684 | 714 | 691 |
| **7S** | 0 | 0 | 0 | 0 | 0 | 3 |

**AB 85 Capacity Tracking** – VCMC has a total of 29,558 Adult Expansion members assigned to them as of October 2015. VCMC's target enrollment is 65,765 and is currently at 44.9% of the enrollment target.

## August 2015 Operations Summary

**Claims Inventory** – ended August with an inventory of 16,066; this equates to Days Receipt on Hand (DROH) of 2.2 compared to a DROH goal of 5. GCHP received approximately 7,300 claims per day in August which is 2,100 more claims per day than received in August 2014. Monthly claim receipts from September 2014 through August 2015 are as follows:

| Month | Total Claims Received | Receipts per Day |
|---|---|---|
| August 2015 | 152,840 | 7,278 |
| July 2015 | 162,237 | 7,374 |
| June 2015 | 171,806 | 7,809 |
| May 2015 | 160,992 | 8,050 |
| April 2015 | 146,198 | 6,645 |
| March 2015 | 152,948 | 6,952 |
| February 2015 | 130,559 | 6,528 |
| January 2015 | 127,517 | 6,376 |
| December 2014 | 128,087 | 6,099 |

| | | |
|---|---|---|
| November 2014 | 111,182 | 6,177 |
| October 2014 | 134,274 | 5,838 |
| September 2014 | 119,233 | 5,678 |

**Claims Turnaround Time (TAT)** – the regulatory requirement of processing 90% of clean claims within 30 calendar days was met in August with a result of 99.0%.

**Claims Processing Accuracy** – the financial accuracy goal of 98% or higher was met in August with a result of 99.97%; procedural accuracy exceeded the goal of 97% in August at 99.99%.

**Call Volume** – call volume dropped below 10,000 calls during August; the number of calls received in August was 9,574. The 12-month average is 9,981 calls per month.

**Average Speed to Answer (ASA)** – as discussed during the September Commission meeting, the ASA was impacted for a few months due to significant staffing issues which occurred at the Xerox Call Center. The ASA was not met in August for the second consecutive month. The combined ASA result (Member, Provider and Spanish lines) for August was 208.8 seconds versus the Service Level Agreement (SLA) goal of 30 seconds or less. The steps undertaken in the Corrective Action Plan during July and August resulted in the ASA being back in compliance as of September.

**Abandonment Rate** – the abandonment rate continued to suffer as a result of the staffing issues during the month. August's combined result was 9.45% compared to a goal of 5% or less. The CAP also addressed non-compliance with the abandonment rate and this metric was back in compliance as of September.

**Average Call Length** – the combined result of 7.90 minutes in August was above the goal of 7.0 minutes.

**Grievance and Appeals** – GCHP received 10 member grievances and 124 provider grievances (related to claim payment disputes) during August. The number of member grievances received per 1,000 members was 0.05.

| Type of Member Grievances | Number of Grievances |
|---|---|
| Accessibility – Lack of PCP Availability | 3 |
| Quality of Care | 5 |
| Quality of Service | 1 |
| Balance Billing | 1 |
| **Total Member Grievances** | **10** |

There were 6 clinical appeals in August; 3 were upheld and 3 were overturned. There was 1 State Fair Hearing that was approved in August.

**Member Orientation Meetings –** Attendance at Member Orientation meetings has continued to decline since the early part of the year. A total of 148 members (114 English, 34 Spanish) plus 22 County Employees/Others attended meetings in the first nine month of 2015. GCHP continues to include an informational flyer in each new member packet to make members aware of this opportunity to learn more about GCHP and their Medi-Cal benefits. We are looking into other options to promote this meeting to increase attendance.

**Behavioral Health Treatment (BHT) Transition –** The transition of BHT services from the regional centers to managed care plans is still scheduled for February 2016. GCHP members currently receiving BHT services at the regional center will be transitioned over a six-month period based on month of birth. GCHP will provide members with 60-day and 30-day notices of this transition beginning in December 2015. DHCS has provided data which indicates there are 392 BHT beneficiaries in Ventura County currently receiving treatment at the regional center.

**Noteworthy Activities** – Operations continues to lead or be involved in the following projects:

- ICD-10 Implementation – the compliance date of October 1, 2015 has come and gone and GCHP is successfully receiving and processing authorizations and claims in the ICD-10 format. GCHP is monitoring claim submissions to determine if any providers are having difficulty submitting claims correctly and providing immediate feedback to any impacted provider. We have put processes in place to refer escalated issues to Network Operations so provider issues can be addressed quickly.
- ASO Consultant Services RFP – GCHP received bids from three firms. Review of bid results and scoring should be completed by the end of October with a goal of bringing a recommendation to the Commission in November.
- Fraud, Waste and Abuse – GCHP will be launching a project aimed at identifying fraud, waste and abuse for certain claim types. The project will involve sending an Explanation of Benefits letter to members requesting them to contact GCHP's Fraud Hotline if they did not receive the services indicated in the letter.
- IVR Optimization – GCHP is reviewing the IVR set-up to identify changes that will focus on improving the customer experience for both members and providers.

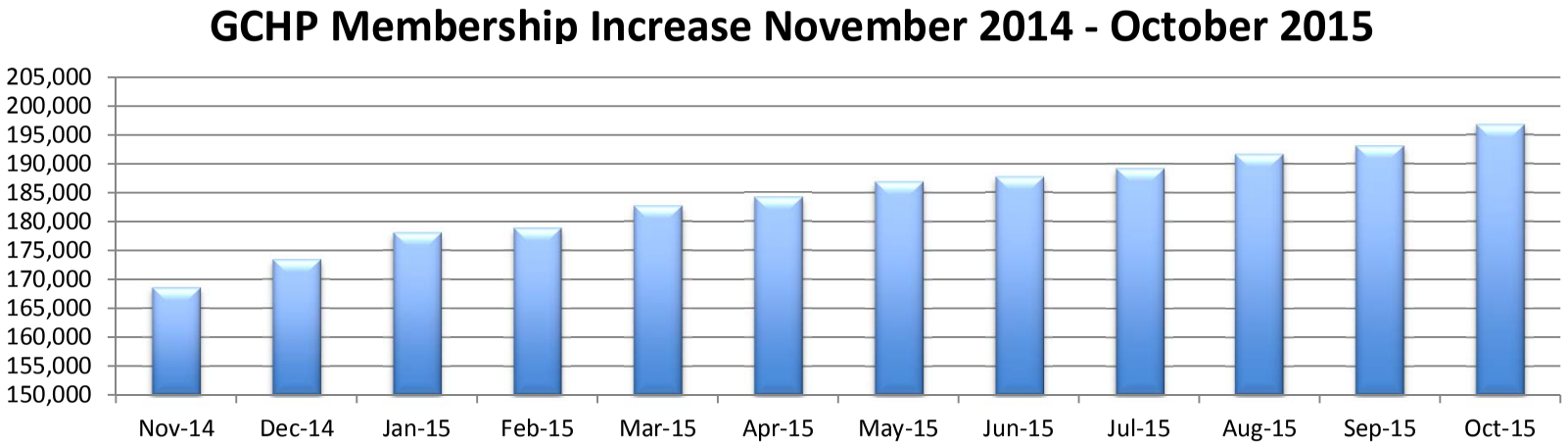
**Attachments**

Membership
Auto Assignment by PCP
Claim Metrics
Call Center Metrics
Grievance and Appeals Metrics

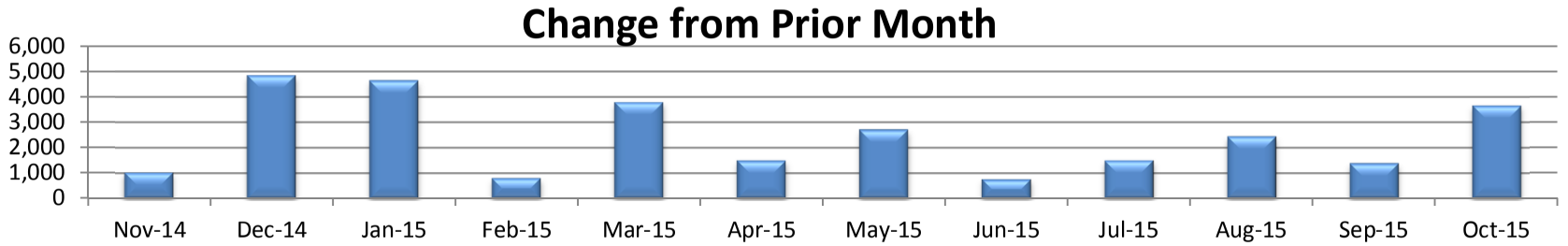
# ATTACHMENTS

# GCHP Membership

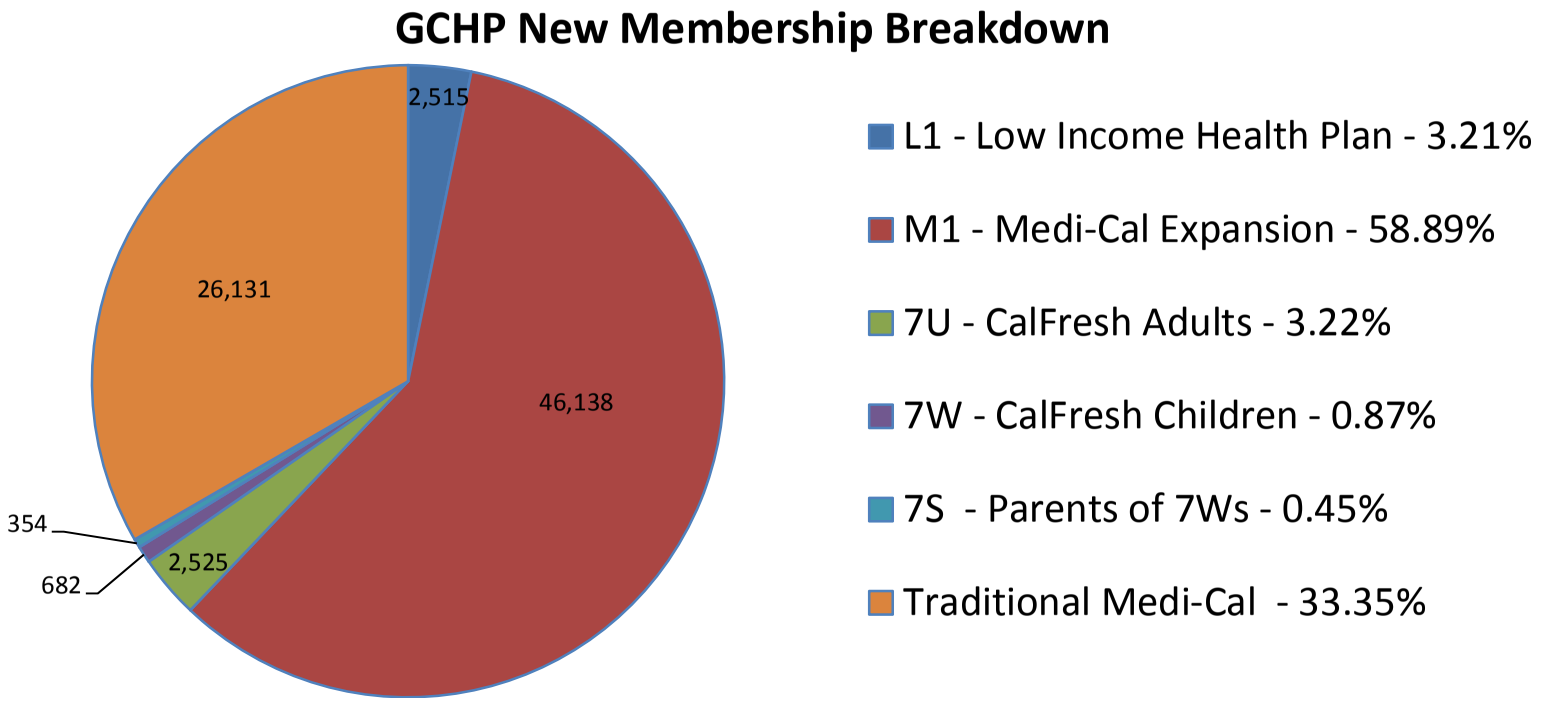
Total Membership as of October 1, 2015 – 196,857
New Members Added Since January 2014 – 78,345




| | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Active Membership | 168,640 | 173,505 | 178,163 | 178,984 | 182,795 | 184,306 | 187,029 | 187,801 | 189,321 | 191,783 | 193,195 | 196,857 |



# Membership Growth




**Note: GCHP Pended eligibility (not shown) – 793 (decreased 85 from September)**

- **Members with aid code 8E – accelerated enrollment which provides immediate temporary, fee-for service, full scope Medi-Cal benefits for ages 65 and under**

# GCHP Auto Assignment by PCP / Clinic as of October 1, 2015

| | Oct-15 | | Sep-15 | | Aug-15 | | Jul-15 | | Jun-15 | | May-15 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Count | % | Count | % | Count | % | Count | % | Count | % | Count | % |
| **AB85 Eligible** | **996** | | **1,350** | | **1,159** | | **1,312** | | **1,519** | | **1,489** | |
| VCMC | 747 | 75.00% | 1,012 | 74.96% | 869 | 74.98% | 984 | 75.00% | 1,139 | 74.98% | 1,116 | 74.95% |
| Balance | 249 | 25.00% | 338 | 25.04% | 290 | 25.02% | 328 | 25.00% | 380 | 25.02% | 373 | 25.05% |
| | | | | | | | | | | | | |
| **Regular Eligible** | **1,011** | | **1,141** | | **1,023** | | **891** | | **1,455** | | **1,620** | |
| | | | | | | | | | | | | |
| **Regular + AB85 Balance** | **1,260** | | **1,479** | | **1,313** | | **1,219** | | **1,835** | | **1,993** | |
| Clinicas | 259 | 20.56% | 275 | 18.59% | 265 | 20.18% | 372 | 30.52% | 458 | 24.96% | 508 | 25.49% |
| CMH | 144 | 11.43% | 161 | 10.89% | 138 | 10.51% | 156 | 12.80% | 203 | 11.06% | 233 | 11.69% |
| Independent | 38 | 3.02% | 46 | 3.11% | 30 | 2.28% | 29 | 2.38% | 55 | 3.00% | 53 | 2.66% |
| VCMC | 819 | 65.00% | 997 | 67.41% | 880 | 67.02% | 662 | 54.31% | 1,119 | 60.98% | 1,199 | 60.16% |
| | | | | | | | | | | | | |
| **Total Assigned** | **2,007** | | **2,491** | | **2,182** | | **2,203** | | **2,974** | | **3,109** | |
| Clinicas | 259 | 12.90% | 275 | 11.04% | 265 | 12.14% | 372 | 16.89% | 458 | 15.40% | 508 | 16.34% |
| CMH | 144 | 7.17% | 161 | 6.46% | 138 | 6.32% | 156 | 7.08% | 203 | 6.83% | 233 | 7.49% |
| Independent | 38 | 1.89% | 46 | 1.85% | 30 | 1.37% | 29 | 1.32% | 55 | 1.85% | 53 | 1.70% |
| VCMC | 1,566 | 78.03% | 2,009 | 80.65% | 1,749 | 80.16% | 1,646 | 74.72% | 2,258 | 75.92% | 2,315 | 74.46% |

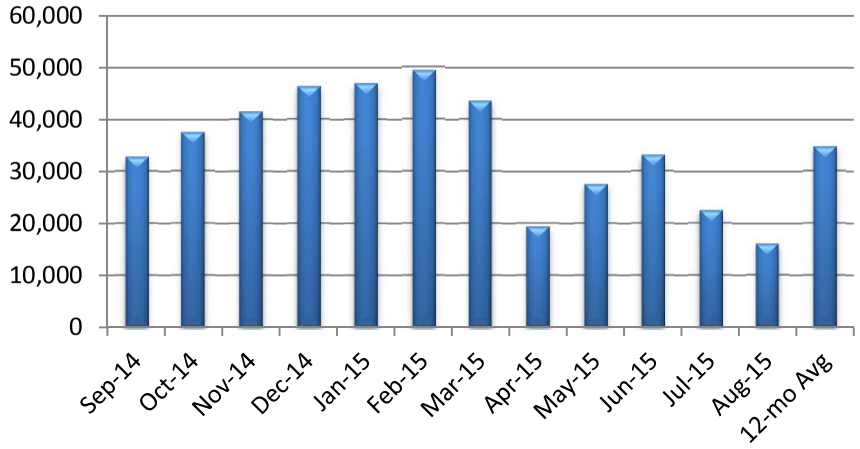
Auto Assignment Process

- 75% of eligible Adult Expansion (AE) members (M1 & 7U) are assigned to the County as required by AB 85
- The remaining 25% are combined with the regular eligible members and assigned using the standard auto assignment process, i.e., 3:1 for safety net providers and 1:1 for all others
- The County's overall auto assignment results will be higher than 75% since they receive 75% of the AE members plus a 3:1 ratio of all other unassigned members
- VCMC's target enrollment is 65,765
  - VCMC has 29,558 assigned Adult Expansion members as of October 1, 2015 and is currently at 44.9% of capacity

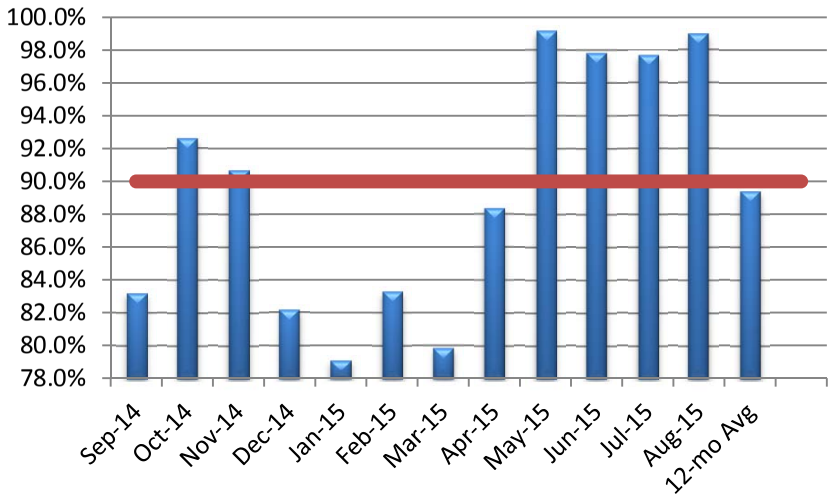
# GCHP Claims Metrics – August 2015

- The 30 Day Turnaround Time (TAT) remained in compliance at 99.0%
- Ending Inventory was 16,066 which equates to a Days Receipt on Hand (DROH) of 2.2 days vs a DROH goal of 5 days
- Service Level Agreements for Financial Accuracy (99.97%) and Procedural Accuracy (99.99%) were both met in August

## Ending Inventory

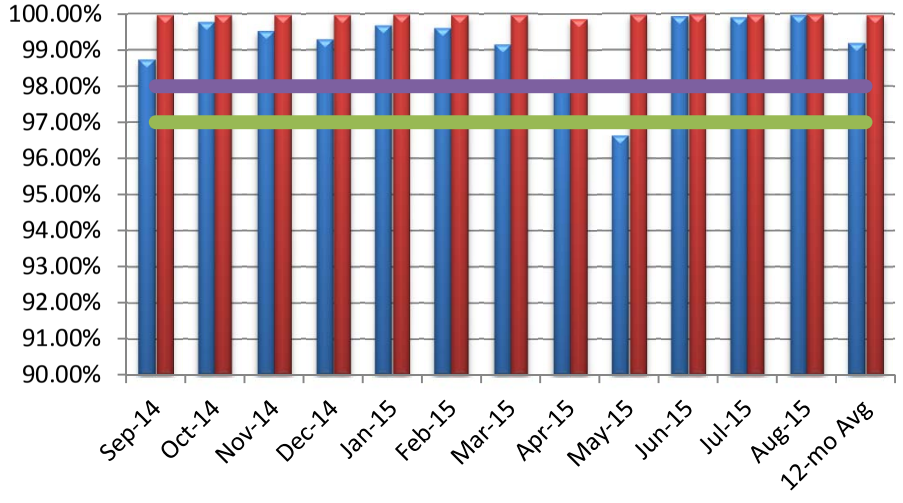



## Clean Claims Processed within 30 Calendar Days




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

## Financial and Procedural Accuracy

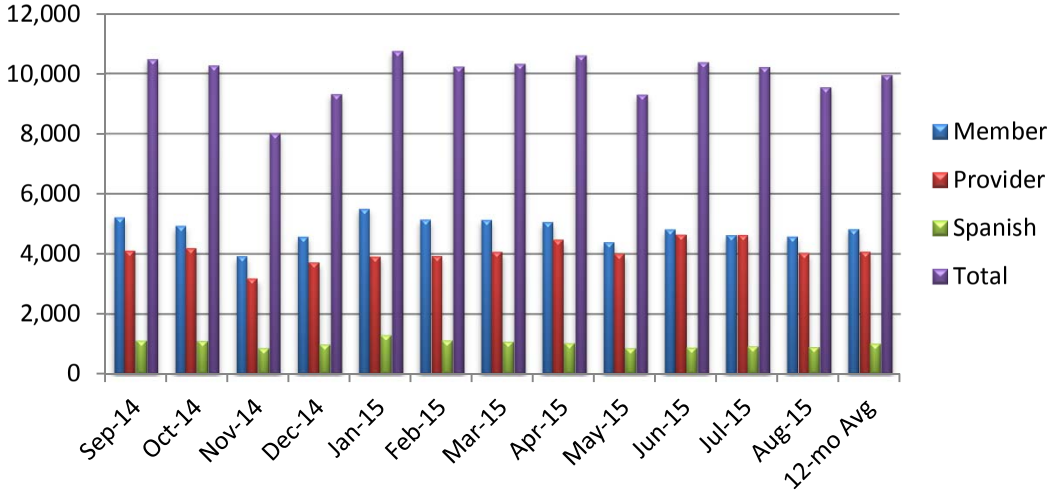



Financial Accuracy – 98% or higher
Procedural Accuracy – 97% or higher

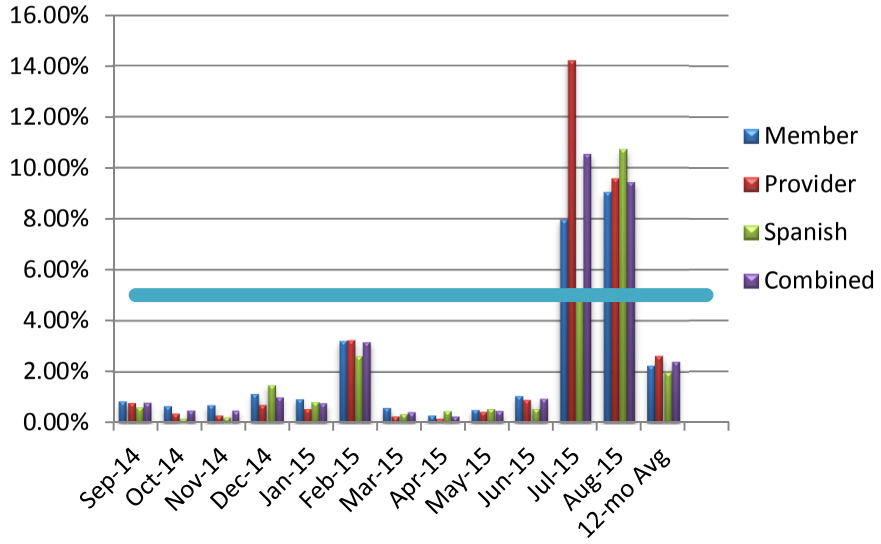
# GCHP Call Center Metrics – August 2015

- Call volume dropped below 10,000 in August; GCHP received 9,574 calls during the month
- ASA and Abandonment Rate were not met for the second consecutive month due to staffing issues
- Corrective Action Plan brought staffing levels back up to normal by the end of August; both SLAs back within goal in September

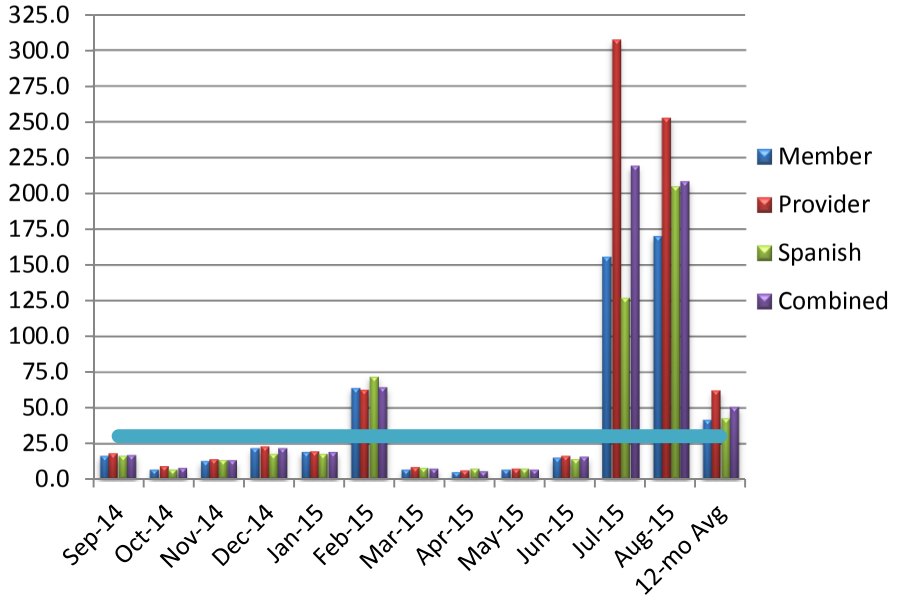
## Call Center Volume




## Abandonment Rate
### (goal is 5% or less)




## Average Speed of Answer (ASA)
### (goal is 30 seconds or less)



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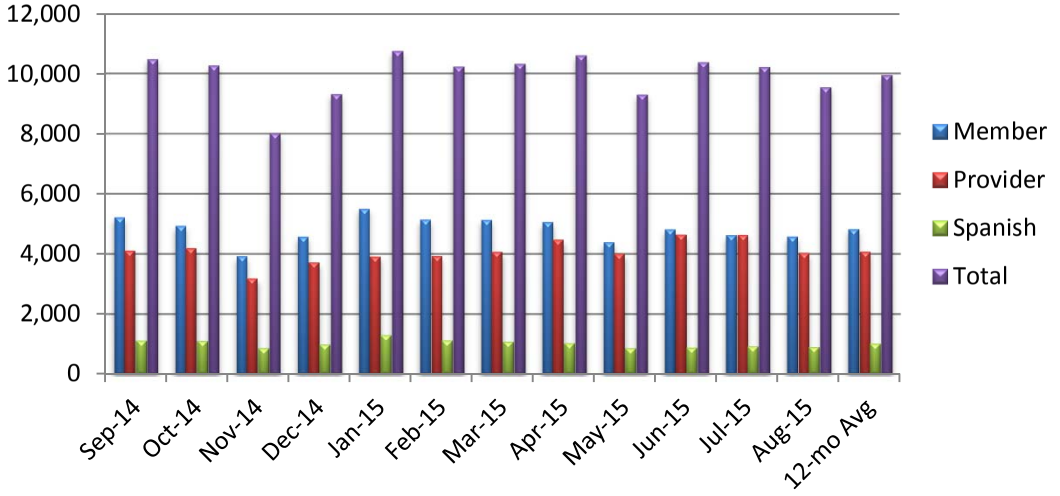
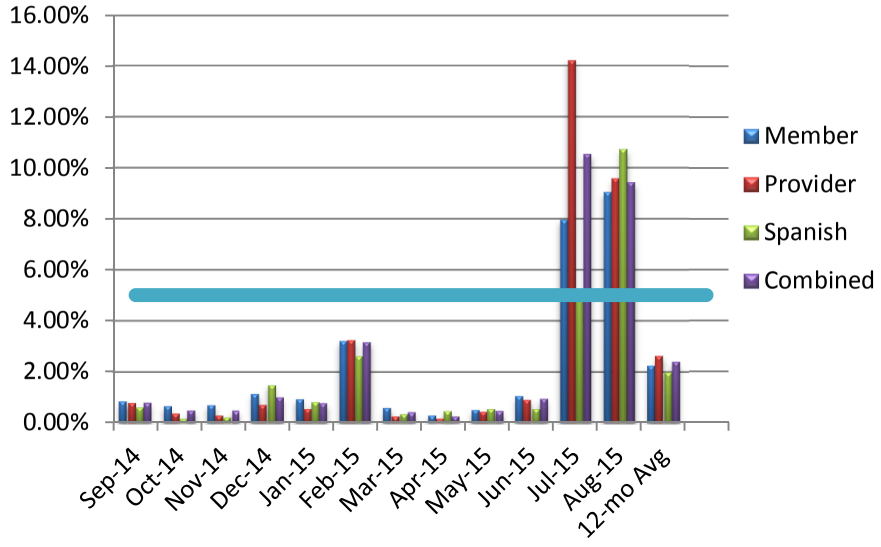
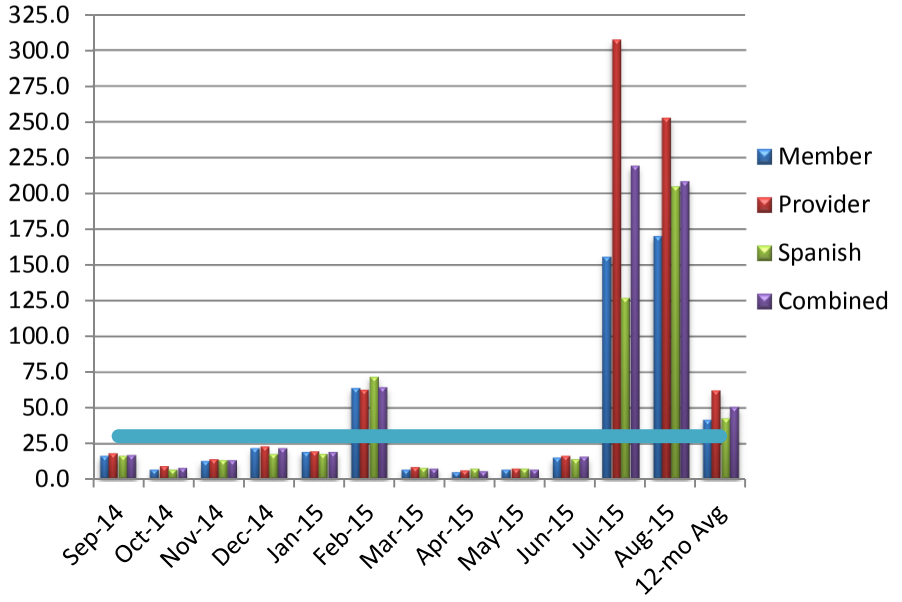
## Call Center Volume




## Abandonment Rate
### (goal is 5% or less)




## Average Speed of Answer (ASA)
### (goal is 30 seconds or less)



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Gold Coast Health Plan℠
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**AGENDA ITEM 4.d.**

TO: Gold Coast Health Plan Commission

FROM: Melissa Scrymgeour, CIO

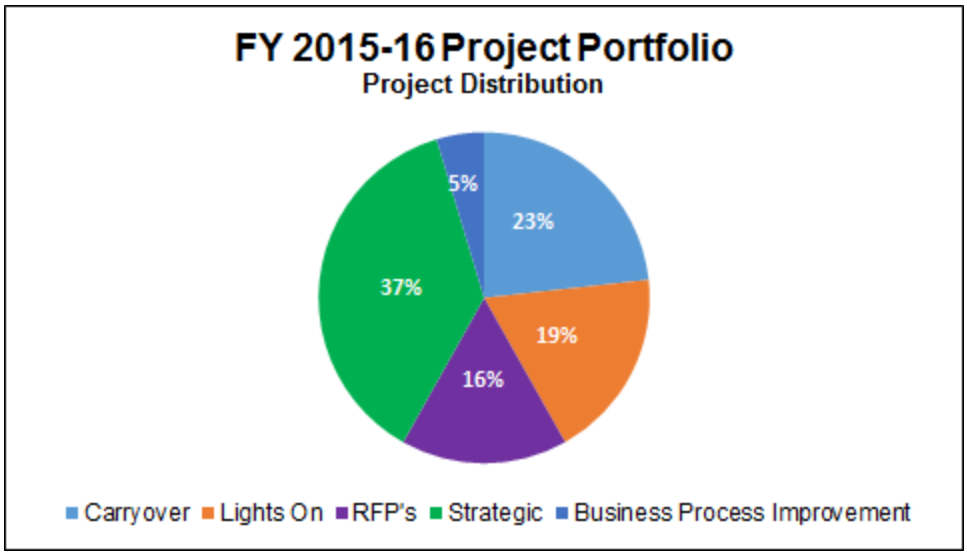
DATE: October 26, 2015

RE: CIO Update

**Project Management Office (PMO)**

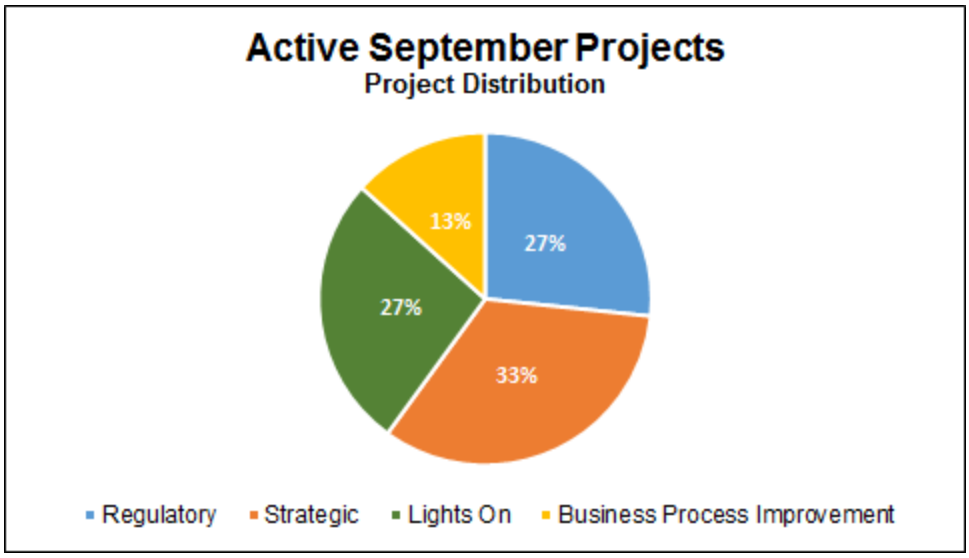
The FY 2015-16 Project Portfolio consists of the following 43 approved initiatives as of September 2015:

- Ten (10) active carryover projects from FY 2014-15.
- Seven (7) Requests for Proposals (RFP) for new systems, services, and/or strategic consulting support.
- Eight (8) “Lights On” projects, including software and server upgrades, as well as office expansion and reconfiguration.
- Sixteen (16) projects supporting GCHP strategic tenants around quality, provider network maintenance, member, provider and community engagement, communications, finance, administrative services, and technology and analytics.
- Two (2) Business Process Improvement initiatives to evaluate and improve operational processes for covered benefits and services. Another initiative addresses Member satisfaction through focus groups.




**PMO Project Activity Highlights through September 2015:**

- MedHOK Upgrade: Upgrade to version 3.1 complete.
- ICD-10 transition occurred on October 1, 2015. All Plan systems are ICD-10 compliant and the Plan is successfully processing claims and medical service authorizations using the ICD-10 codes.
- CORE-HIPAA/ACA Administrative Simplification Rules: Project is on track for user acceptance testing in October and November.
- Encounter Data Improvement Program: All trading partners are in production for encounter submissions.



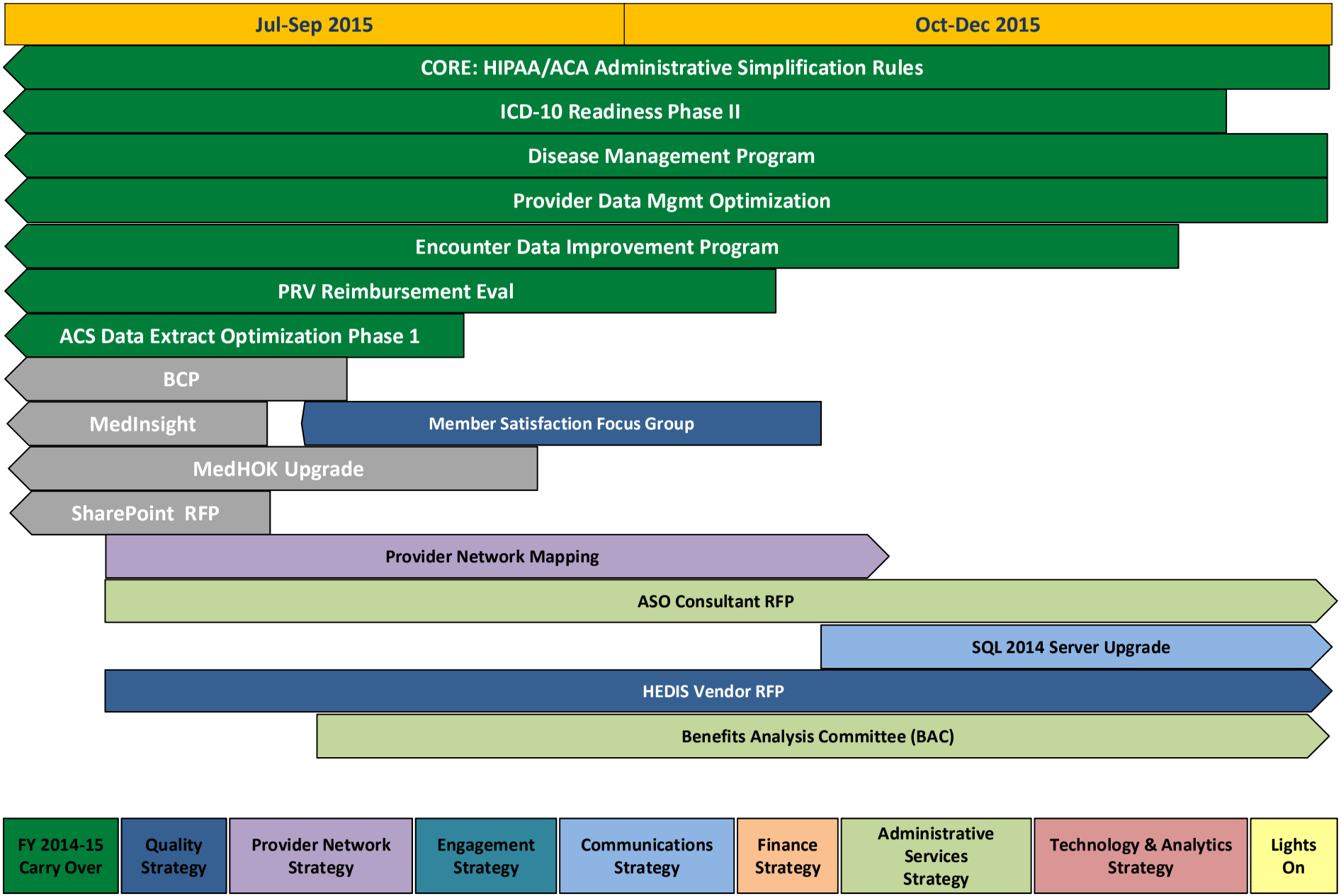

**Upcoming PMO Portfolio Activity:**

- ICD-10 Transition: Continue post-implementation project monitoring. Prepare for lessons learns and project closure.
- CORE-HIPAA / ACA Administrative Simplification Rules: Complete remaining development tasks and testing activities in preparation for go-live in December 2015.
- Complete Provider Mapping Software implementation.
- Disease Management Program: Targeting launch of Diabetes program on November 1, 2015.
- Complete Member Satisfaction Focus Groups: Targeting 10/30/2015
- Complete Provider Capitation and Rebasing Phase 2
- Relaunch two projects which have been on hold due to resource constraints:
  - Provider Data Management Optimization (PDMO): Now Phased
    - Remediation & Process Improvement
      - Managed Care Provider Data Improvement Project
        - ACS Data Extract Optimization-Phases 1 & 2
    - Kick off the SQL 2014 Server and SharePoint Implementation-Phase 1 projects

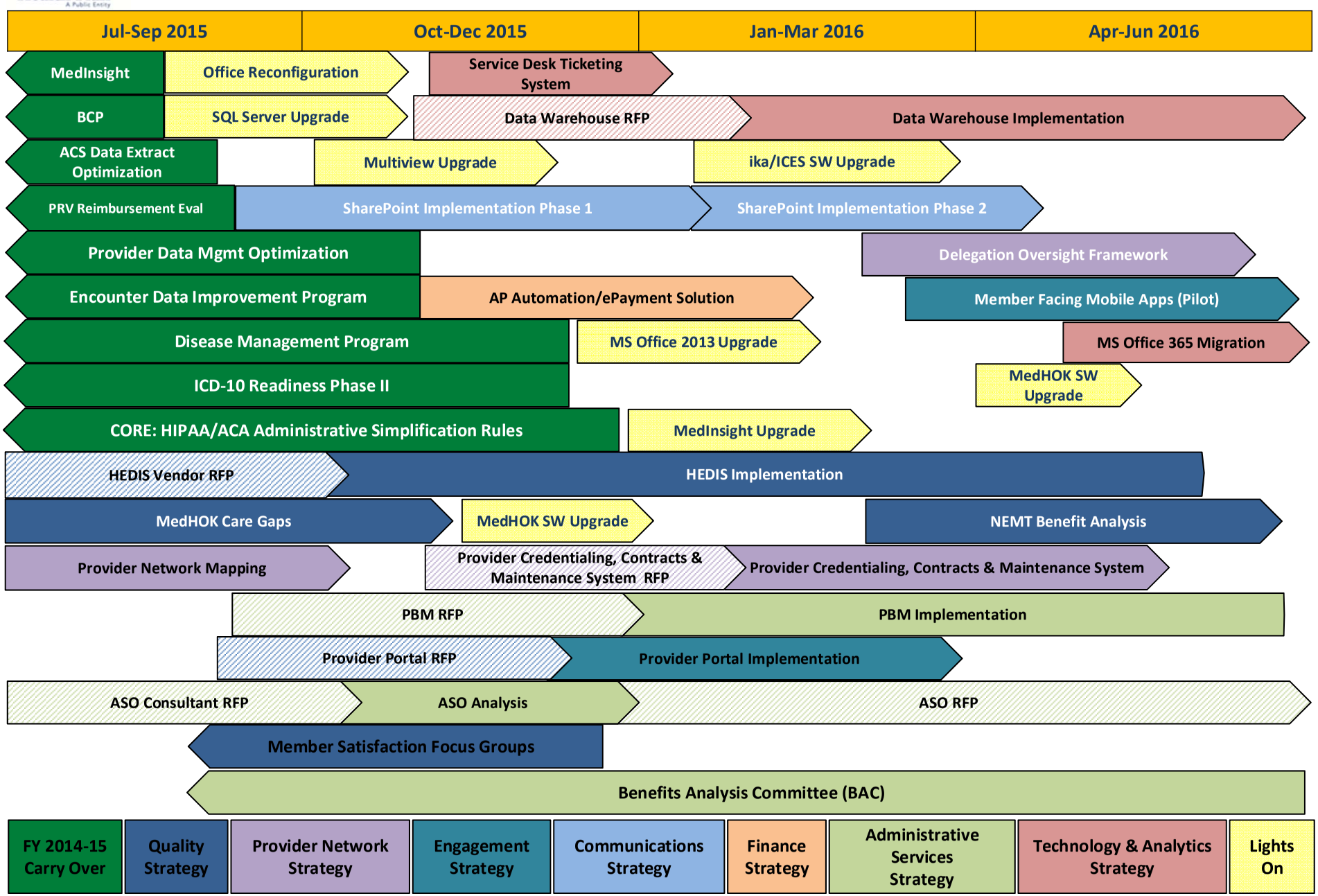
**Attachments**
IT Metrics
Active Projects - September 2015
Project Portfolio
Project Descriptions

# ATTACHMENTS

# GCHP FY 2015-16 Active Projects - September 2015



# GCHP FY 2015-16 Project Portfolio

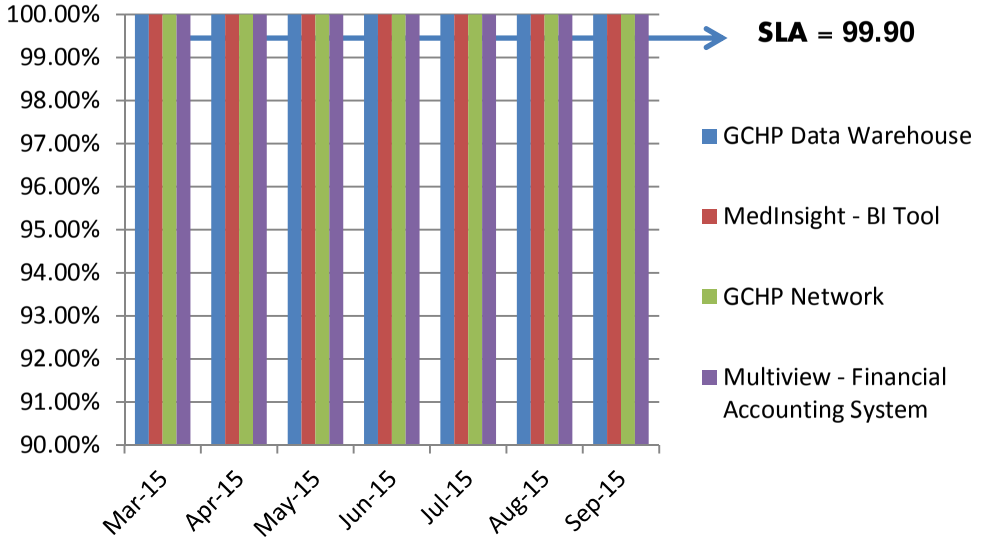


**FY 2015-16 GCHP Projects:**

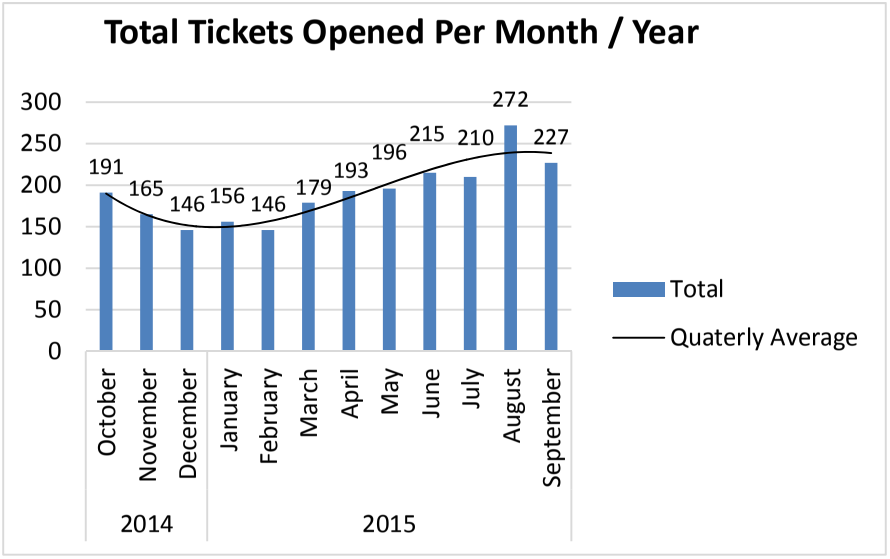
- **Healthcare Effectiveness Data and Information Set (HEDIS) Vendor Request for Proposal (RFP) and Implementation:** RFP and possible implementation of new HEDIS solution.
- **Care Gaps Implementation:** Implement Care Gaps module for member care coordination.
- **Provider Network Mapping:** Implement geographic mapping tool to analyze the GCHP health care network for optimized accessibility.
- **Provider Portal RFP and Implementation:** RFP and possible implementation of new provider portal.
- **Administrative Services Organization (ASO) Consultant RFP, Analysis and ASO RFP:** RFP for a consultant to help analyze and evaluate the GCHP core administrative services model, make recommendations, and support the ASO RFP process.
- **Pharmacy Benefits Manager (PBM) RFP and Implementation:** RFP and possible implementation of new PBM.
- **Provider Credentialing, Contracts and Maintenance System RFP & Implementation:** RFP and implementation of new system(s) to manage, support and optimize provider credentialing, contracting, and maintenance processes.
- **Non-Emergency Medical Benefit (NEMT) Analysis:** Analyze and evaluate alternatives to existing NEMT benefit.
- **SharePoint Implementation Phases 1 and 2:** Complete SharePoint environment redesign and deployment, including a GCHP intranet.
- **Accounts Payable (AP) Automation/ePayment Solution:** Evaluate and implement a solution to automate and streamline AP processes.
- **Data Warehouse RFP & Implementation:** RFP and implementation of an enterprise data warehouse for optimized reporting and analytics.
- **Service Desk Ticketing System:** Implement solution to track, manage, and help streamline support of desktop and application issues.
- **Delegation Oversight Framework:** Institute standard delegation and oversight requirements, policies, and procedures for establishing provider contracts.
- **Member Facing Mobile Apps Pilot:** Analyze member engagement needs and pilot mobile communication apps.

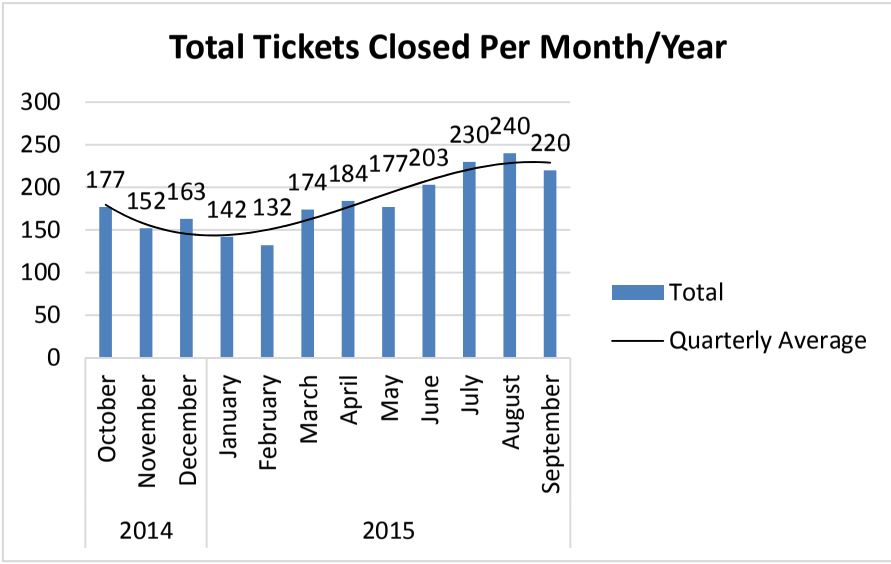
- **Office Expansion and Reconfiguration:** Office expansion project which will include the reconfiguration of the current location, in addition to acquiring new office space to accommodate growth and future expansion.
- **Microsoft SQL 2014 Upgrade:** Version upgrade and landscape redesign of GCHP SQL server environment.
- **Multiview Upgrade:** Software version upgrade for Multiview financial system.
- **Microsoft Office 2013 Upgrade:** Upgrade all employee machines to Microsoft Office 2013.
- **Ika/ICES Upgrade:** Software version upgrade for Xerox/ACS core administration processing and claims editing systems.
- **MedHOK Upgrade:** Software version upgrade for MedHOK medical management system.
- **MedInsight Upgrade:** Software version upgrade for MedInsight Business Intelligence (BI) tool; includes transition to hosted solution.
- **Member Satisfaction Focus Groups:** Conduct and analysis results of member focus groups to improve the Plan services**.**
- **Benefits Analysis Committee (BAC):** Thorough evaluation, impact analysis, remediation (as appropriate) of process and systems, and development of a tool to manage the covered benefits and services.

# GCHP IT Metrics – September 2015




# GCHP Helpdesk Service Ticket Trending



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Gold Coast Health Plan℠
A Public Entity

**AGENDA ITEM 4.e.**

TO: Gold Coast Health Plan Commission

FROM: Al Reeves, CMO
Nancy Wharfield, Associate CMO

DATE: October 26, 2015

RE: CMO / Health Services Update

## CMO UPDATE

### California HealthCare Foundation (CHCF) / California Association of Health Plans (CAHP) / Local Health Plans of California (LHPC) - Palliative Care Conference September 2015

Palliative Care Definition
Palliative care is specialized medical care for people with serious illnesses. This type of care focuses on providing patients with relief from the symptoms, pain, and stress of a serious illness. The goal of palliative care is to improve quality of life for both the patient and their family. It is provided by a team of clinicians and others who provide an extra layer of support for physical, intellectual, emotional, social, and spiritual needs. Palliative care can be provided together with curative treatment.

Palliative care is NOT for cancer only, for elderly patients only, end-of-life care, or Hospice. Rather, end-of-life care is part of palliative care and Hospice is a type of end-of-life care.

Palliative Care and Medi-Cal Managed Care
Under SB 1004, Department of Health Care Services (DHCS) must provide standards and provide technical assistance for Medi-Cal managed care plans to ensure delivery of palliative care. DHCS is developing policies about minimum conditions, services, populations, monitoring of outcomes, and funding.

Minimum Condition – late-stage / high-grade cancer with significant functional decline or limitations (congestive heart failure, end-stage pulmonary disease)
Services – palliative care consultation, advance care planning, care coordination / assessment / interdisciplinary team / care plan, curative care, may include Hospice care as needed
Populations – skilled nursing facility residents, Hospice, Community Based Adult Services

(CBAS)
Monitoring of Outcomes – metrics being established, encounter data will be used, Public Health date of death information
Funding – Expected increased utilization of outpatient services such as Hospice and home health with long term decreased utilization for inpatient and emergency department services. Assumption of long term reduction in cost overall.

Ventura County
California HealthCare Foundation used California Office of Statewide Health Planning and Development (OSHPD) data to estimate palliative care need and sufficiency for counties in California. Sufficiency was defined as palliative care service capacity / estimated need. As of October 2014, Ventura County's inpatient palliative care sufficiency was 66% compared with 39% for California overall. Ventura County's community-based palliative care sufficiency was 12% compared with 29% for California overall.

Next Steps
DHCS released a palliative care concept paper on October 2, 2015. In order to comply with DHCS mandates about palliative care, GCHP will need to develop strategies for network development, payment methodologies, performance measures, and promotion of understanding of palliative care for members and providers. In addition to guidance from DHCS, technical assistance and additional resources are available from California HealthCare Foundation, California State University Institute for Palliative Care, and the Coalition for Compassionate Care of California.

## HEALTH SERVICES UPDATE

Utilization data in the Health Services monthly update to the Commission is based on paid claims compiled by date of service and is lagged by 3 months to allow for partial run out of claims data. Claims data is complete at approximately 6 months. While incomplete, a 3 month lagged snapshot allows us to see an estimate of utilization without waiting for a more complete 6 month report. Administrative days are included in these calculations. Dual eligible members, Skilled Nursing Facility (SNF), and Long Term Care (LTC) data is not included in this presentation.

### Utilization Summary

Inpatient utilization metrics for YTD 2015 are equal to improved compared with CY 2014. Emergency Department (ED) utilization / 1000 members is slightly higher for YTD 2015 (473 ER visits / 1000 members) compared to CY 2014 (442 visits / 1000 members).

Benchmark: The June 16, 2015 Department of Health Care Services (DHCS) Medi-Cal Managed Care Performance Dashboard reported 39 ER visits / 1000 member months statewide for all managed care plans in FY 2013-14. GCHP ER utilization / 1000 member

months for the same period was also 39.

| UTILIZATION SUMMARY | | |
|---|---|---|
| | **2014** | **2015 YTD (January – June)** |
| **Inpatient** | | |
| Bed days / 1000 | 251 | 206 |
| | | |
| Average Length of Stay (ALOS) | 4.9 | 4.3 |
| | | |
| Admits / 1000 | 51 | 51 |
| | | |
| **ED Utilization / 1000** | 442 | 473 |

**Top Admitting Diagnoses**
Pregnancy related diagnoses overshadow all other diagnoses for CY 2014 and YTD CY 2015. Pneumonia and sepsis were also top diagnoses for CY 2014 and 2015. When pregnancy is excluded, sepsis, appendicitis, and pneumonia comprise approximately half of the remaining diagnoses for both CY 2014 and CY 2015 YTD.

**Authorization Requests**
Requests for outpatient service continue to outnumber requests for inpatient service. Outpatient service requests for YTD CY 2015 were 205 / 1000 members compared to 213 / 1000 members for CY 2014. Requests for inpatient service for YTD 2015 are 62 / 1000 members compared to 71 / 1000 members for CY 2014.

**Attachments:**
Top Admitting Diagnoses
Authorization Requests

## OUTREACH UPDATE

Gold Coast Health Plan (GCHP) continues to participate in community education and outreach activities throughout the County. The health education and outreach team conducted the following activities during the month of September.

**Outreach Events – September 2015**
During the month of September, GCHP's health education and outreach team participated in

12 different school based events, community based resource and health fairs. The majority (74%) of individuals reached were encountered at outreach events that focused on school and youth groups. Approximately (26%) of individual reached were at events that focused on the general population including GCHP members. The team also participated in food distribution events held throughout various locations in the county.

A total of 1,496 individuals were reached and approximately 2,201 education materials were distributed during outreach events and to various organizations throughout the county. Below are two charts that highlight the total number of participants reached and materials distributed during the month of September.

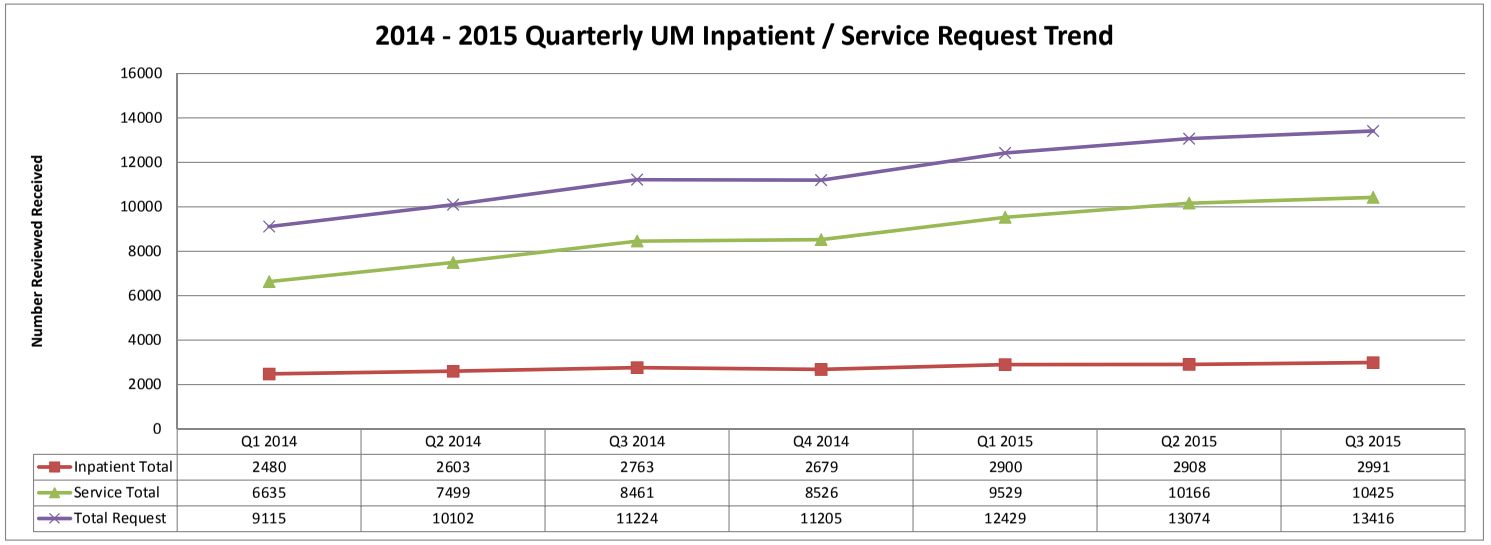
**Sponsorship Award Update**
Gold Coast Health Plan (GCHP) Sponsorship Committee awarded one application for sponsorship in September.

- **Santa to the Sea:** The Committee decided to award Santa to the Sea with $500 award to specifically support the promotion of a healthy lifestyle, including needy kids' nutrition and obesity prevention.

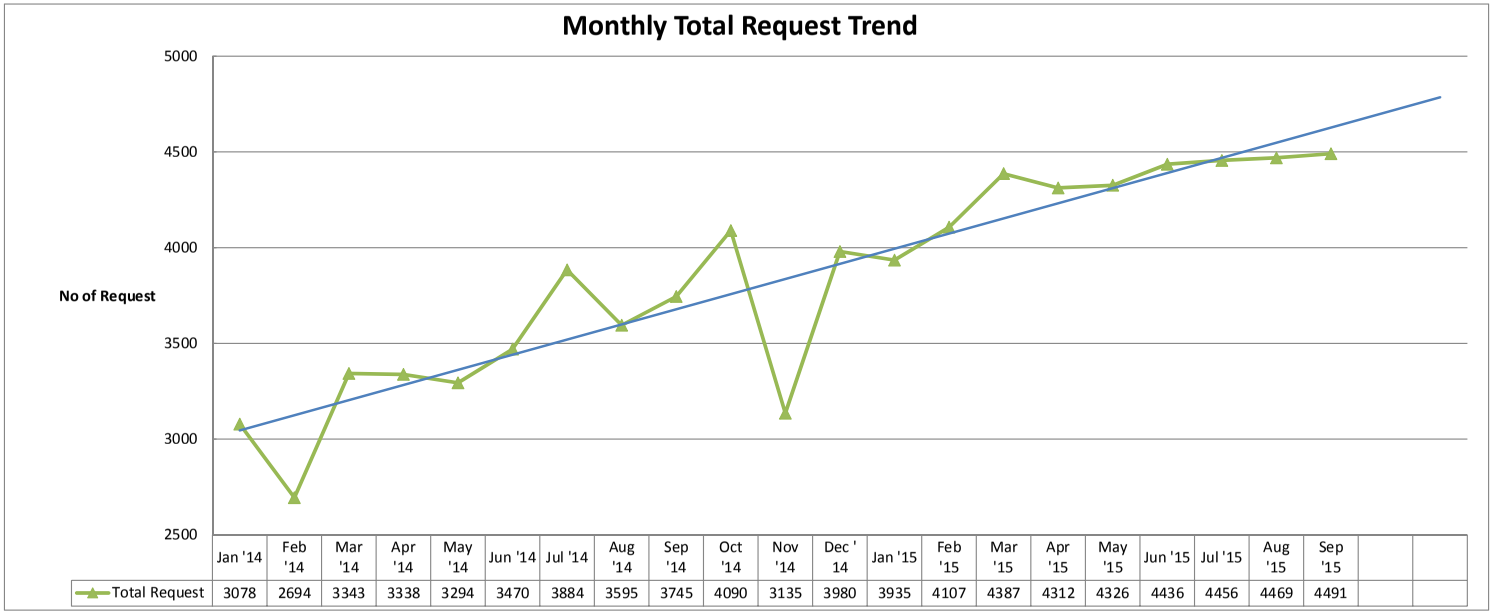
**Attachments:**
Outreach

# ATTACHMENTS

## AUTHORIZATION REQUESTS

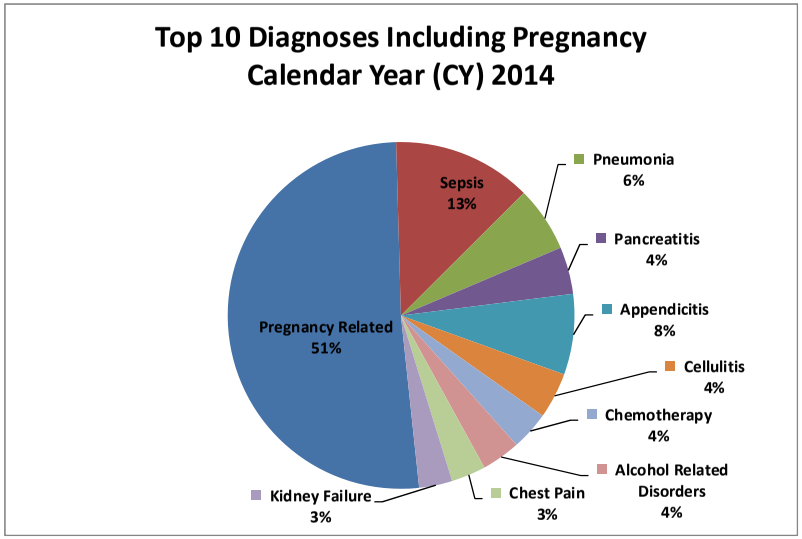


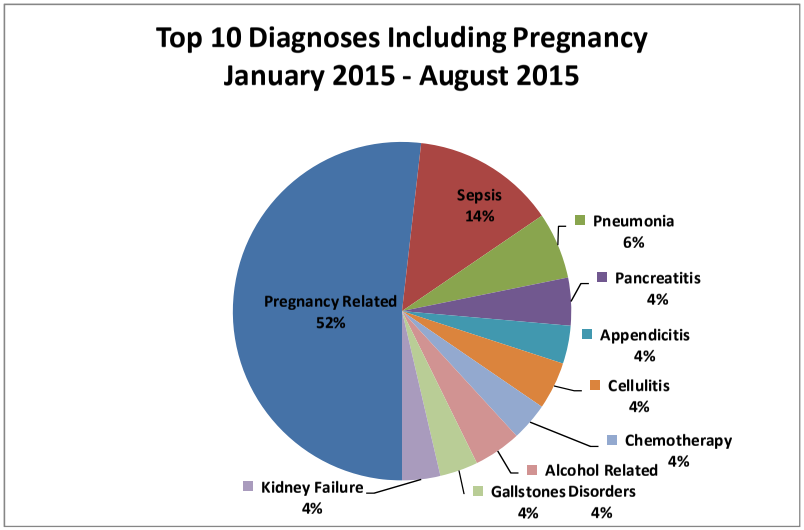

| | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 | Q3 2015 |
|---|---|---|---|---|---|---|---|
| Inpatient Total | 2480 | 2603 | 2763 | 2679 | 2900 | 2908 | 2991 |
| Service Total | 6635 | 7499 | 8461 | 8526 | 9529 | 10166 | 10425 |
| Total Request | 9115 | 10102 | 11224 | 11205 | 12429 | 13074 | 13416 |

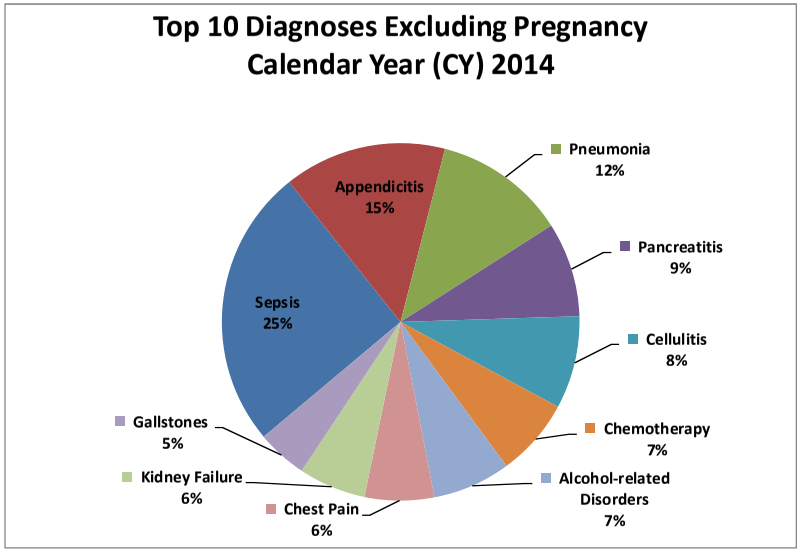


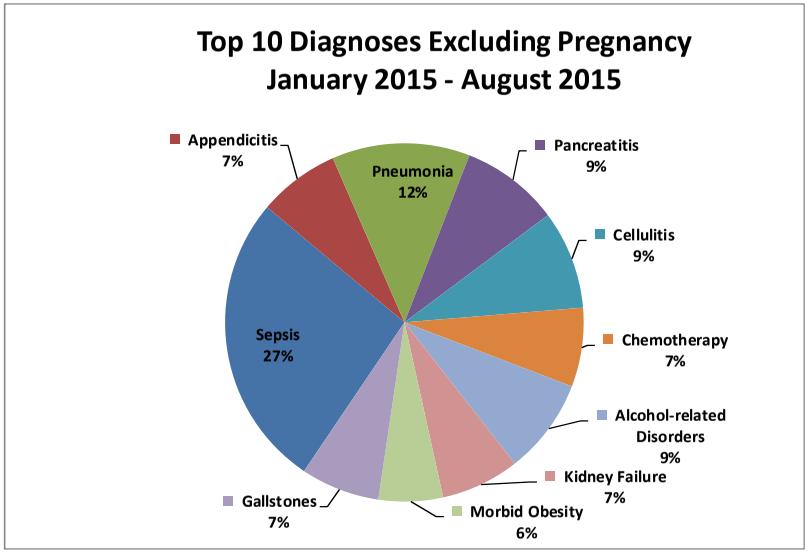

| | Jan '14 | Feb '14 | Mar '14 | Apr '14 | May '14 | Jun '14 | Jul '14 | Aug '14 | Sep '14 | Oct '14 | Nov '14 | Dec ' 14 | Jan '15 | Feb '15 | Mar '15 | Apr '15 | May '15 | Jun '15 | Jul '15 | Aug '15 | Sep '15 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Total Request | 3078 | 2694 | 3343 | 3338 | 3294 | 3470 | 3884 | 3595 | 3745 | 4090 | 3135 | 3980 | 3935 | 4107 | 4387 | 4312 | 4326 | 4436 | 4456 | 4469 | 4491 | | |

## TOP ADMITTING DIAGNOSES

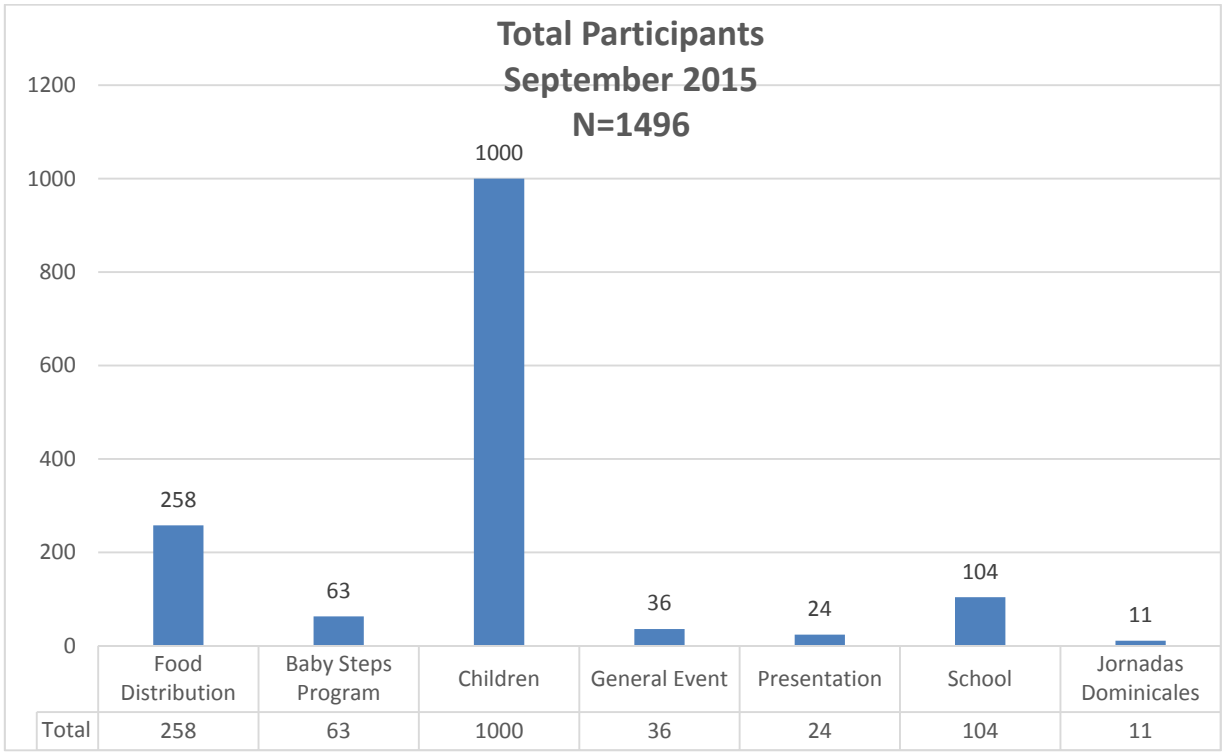


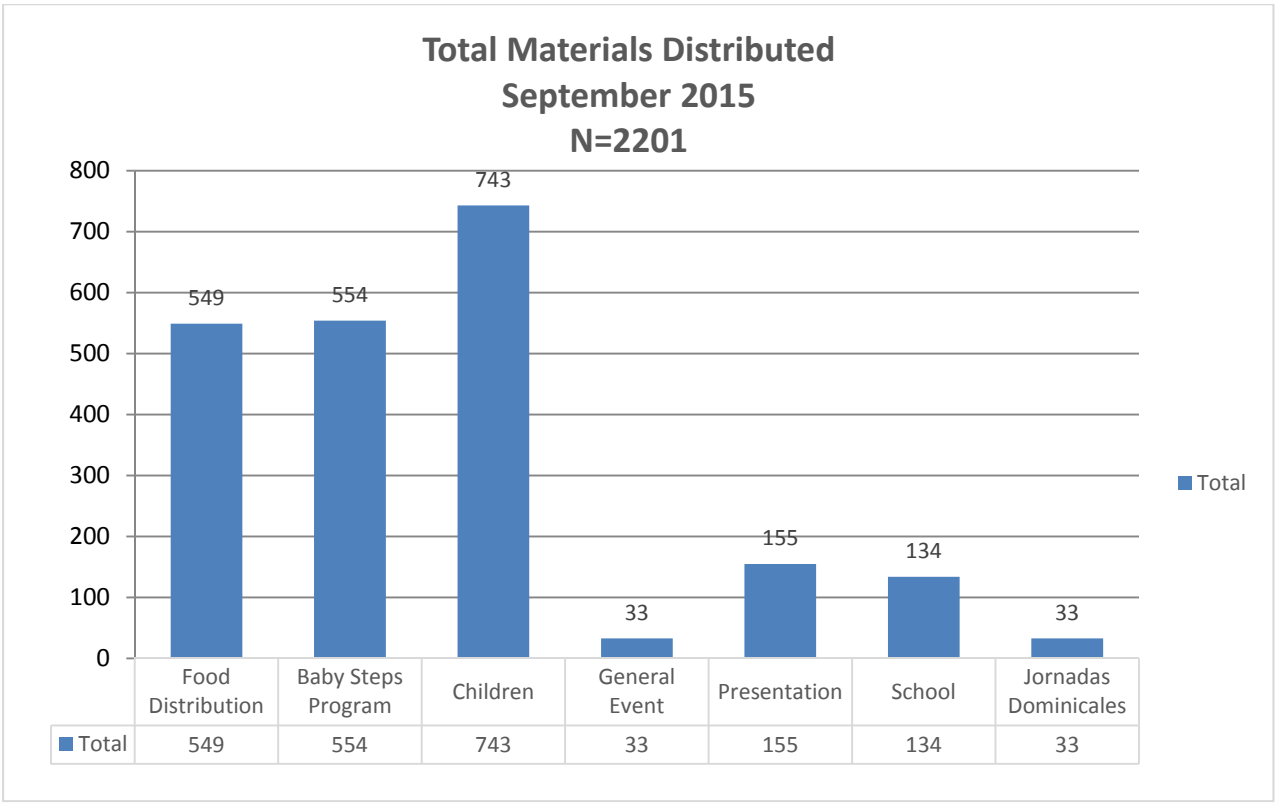



# OUTREACH


Total Participants
September 2015
N=1496
1200
1000
800
600
400
200
0
258
63
1000
36
24
104
11
Food Distribution
Baby Steps Program
Children
General Event
Presentation
School
Jornadas Dominicales
Total
258
63
1000
36
24
104
11


Total Materials Distributed
September 2015
N=2201
800
700
600
500
400
300
200
100
0
549
554
743
33
155
134
33
Food Distribution
Baby Steps Program
Children
General Event
Presentation
School
Jornadas Dominicales
Total
549
554
743
33
155
134
33
Total