

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

Executive/Finance Committee Regular Meeting

Regular Meeting

Thursday, January 5, 2017 – 3:00 p.m.

Bell Canyon Conference Room at Gold Coast Health Plan

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

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMCC) doing business as Gold Coast Health Plan Executive/Finance Committee (EFC) on the agenda. Persons wishing to address EFC should complete and submit a speaker card.

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

CONSENT CALENDAR

- 1. Approval of the Executive/Finance Committee Regular Minutes of September 1, 2016.**

Staff: Tracy Oehler, Clerk of the Board

RECOMMENDATION: Approve the minutes.

- 2. Approval of the 2017 Executive/Finance Committee Meeting Calendar**

Staff: Tracy Oehler, Clerk of the Board

RECOMMENDATION: Approve the 2017 Executive/Finance Committee Meeting Calendar.

FORMAL ACTION ITEMS

3. November 2016 Fiscal Year to Date Financials

Staff: Patricia Mowlavi, Chief Financial Officer

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

4. Approval of Contract with SAI Global Inc. for Compliance, Governance, and Risk Software Services

Staff: Brandy Armenta, Compliance Officer/Director

RECOMMENDATION: Approve the contract with SAI Global Inc. for compliance, governance, and risk software services for five years with a not to exceed amount of \$172,690 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

5. Approval of Contract with DME Consulting Group Inc. for Home Member Assessment Services

Staff: Dr. Nancy Wharfield, Associate Chief Medical Director

RECOMMENDATION: Approve the contract with DME Consulting Group Inc. for home member assessment services for three years with a not to exceed amount of \$150,000 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

6. Approval of Contract with Milliman Inc. for Business Critical Analytics Software (MedInsight)

Staff: Melissa Scrymgeour, Chief Information & Strategy Officer

RECOMMENDATION: Approve the contract with Milliman Inc. for business critical analytics software (MedInsight) for four years with a not to exceed amount of \$1,252,818 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

7. Approval of Contract with Coffey Communications Inc. for Custom Membership Publication Services

Staff: Steven Lalich, Director of Marketing and Communications

RECOMMENDATION: Approve the contract with Coffey Communications Inc. for custom membership publication services for three years with a not to exceed amount of \$478,500 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

8. Approval of Contract with Coffey Communications Inc. for Member Fulfillment/Direct-Mailing Services

Staff: Steven Lalich, Director of Marketing and Communications

RECOMMENDATION: Approve the contract with Coffey Communications Inc. for member fulfillment/direct-mailing services for three years with a not to exceed amount of \$294,000 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

9. Approval of Contract with mPulse Mobile Inc. for Member Mobile Text Messaging Services

Staff: Dr. Nancy Wharfield, Associate Chief Medical Director

RECOMMENDATION: Approve the contract with mPulse Inc. for member mobile text messaging services for two years with a not to exceed amount of \$250,000 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

REPORTS

10. Managed Care Final Rule

Staff: Brandy Armenta, Compliance Officer/Director

RECOMMENDATION: Accept and file the report.

11. Alternative Resources for Community Health (ARCH) Program Overview

Staff: Ralph Oyaga, Executive Director for Government, Regulatory and External Relations

RECOMMENDATION: Accept and file the report.

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

Administrative Reports relating to this agenda are available at 711 East Daily Drive, Suite #106, Camarillo, California, during normal business hours and on <http://goldcoasthealthplan.org>. Materials related to an agenda item submitted to the Committee after distribution of the agenda packet are available for public review during normal business hours at the office of the Clerk of the Board.

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

AGENDA ITEM NO. 1

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

September 1, 2016 Regular Meeting Minutes

CALL TO ORDER

Committee member Darren Lee called the meeting to order at 3:06 p.m. in the Bell Canyon Conference Room located at Gold Coast Health Plan, 770 Paseo Camarillo, 2nd Floor, Camarillo, California.

ROLL CALL

Present: Committee members Antonio Alatorre, Darren Lee, and Dee Pupa.

Absent: Committee members Barry Fisher and Jennifer Swenson.

PUBLIC COMMENT

None.

CONSENT CALENDAR

1. **Minutes**

RECOMMENDATION: Approve the minutes of the Regular Executive/Finance Committee meeting of July 7, 2016.

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

AYES: Committee members Alatorre, Lee, and Pupa.

NOES: None.

ABSENT: Committee members Fisher and Swenson.

Committee member Lee declared the motion carried.

FORMAL ACTION ITEMS

2. **July 2016 Fiscal Year to Date Financials**

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

Patricia Mowlavi, Chief Financial Officer, reported on the first month of the fiscal year. Gold Coast Health Plan (GCHP) continues to maintain a positive performance with a net gain of assets of \$4.3 million; membership was below budget; and the Medical Loss Ratio (MLR) is at 87% with a target of 93%.

A discussion followed between the Committee members and staff regarding staff providing a summarized report which separates Adult Expansion from the aggregate.

Ms. Mowlavi presented graphs representing key performance indicators and health care expenses. It was noted the month of March reflected high numbers due to February being a short month as well as processing issues, which have been resolved. A copy of the presentation is on file.

Anne Freese, Pharmacy Director, gave a presentation on the review of pharmacy costs, which included cost drivers and changes made in the pharmacy department to increase efficiencies as well as cost trends. It was noted there was a \$200,000 decrease in administrative fees. A copy of the presentation is on file.

A discussion followed between the Committee members and staff regarding prior authorization costs being administrative fees; there not being a comprehensive program in specialties; per member per month cost and generic dispensing rates are comparable to similar plans; and Hepatitis C kick payments being lower if the product goes through the 340B program. The Committee requested the top ten drugs by ingredient costs and the top ten drugs utilized be included in the next report.

Mr. Lyndon Turner, Director of Financial Analysis, reviewed the investment returns for the past seven months, explained why the changes occurred over the year, and reviewed the portfolio composition. A copy of the presentation is on file.

A discussion followed between the Committee members and staff regarding the monthly investment income; clarification of the yields being expressed as an annualized yield; how public funds are subject to a collateralized funds requirement; holdings are in very liquid bank money markets funds; and State regulations greatly limit the extent to which public entities can invest monies in riskier investments.

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

AYES: Committee members Alatorre, Lee, and Pupa.

NOES: None.

ABSENT: Committee members Fisher and Swenson.

Committee member Lee declared the motion carried.

3. Consider Adding Benefit Enhancement – Cardiac Rehabilitation

RECOMMENDATION: Approve cardiac rehabilitation as a benefit for presentation to the Ventura county Medi-Cal Managed Care Commission.

Nancy Wharfield, M.D., Associate Chief Medical Officer, stated cardiac rehabilitation services are not a benefit under Fee for Service Medi-Cal. As part of the Triple-Aim, these services would decrease symptoms, readmissions, and mortality rates by 20 to 30 percent. It is estimated there are approximately 500 to 1,500 members who would be eligible for these services.

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

AYES: Committee members Alatorre, Lee, and Pupa.

NOES: None.

ABSENT: Committee members Fisher and Swenson.

Committee member Lee declared the motion carried.

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

The meeting was adjourned at 3:57 p.m.



AGENDA ITEM NO. 2 2017 Executive/Finance Committee Meetings

770 Paseo Camarillo, Bell Canyon Conference Room, Camarillo, CA
Meeting time is at 3:00 p.m.

*Meeting are held
every other month
on the first Thursday.*

**Please note the September 7th meeting will be held at 711 E. Daily Drive, Community Room*

January						
S	M	T	W	T	F	S
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29	30	31				

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April						
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30						

May						
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August						
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September						
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October						
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29	30	31				

November						
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26	27	28	29	30		

December						
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24	25	26	27	28	29	30

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AGENDA ITEM NO. 3

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Patricia Mowlavi, Chief Financial Officer
DATE: January 5, 2017
SUBJECT: November 2016 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached November 2016 fiscal year-to-date financial statements (unaudited) of Gold Coast Health Plan (Plan) for review by the Executive/Finance Committee. The Plan requests that the Executive/Finance Committee recommend approval of these financials to the Commission.

BACKGROUND/DISCUSSION:

The staff has prepared the November 2016 fiscal year-to-date 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 five months ended November 30, 2016, the Plan's performance was a gain in net assets of \$1.1 million which was \$2.5 million higher than budget. This was driven by administrative savings, which were largely due to timing of projects.

Tangible Net Equity – The Plan's fiscal year-to-date operating performance resulted in Tangible Net Equity (TNE) of approximately \$157.1 million, which was \$5.4 million higher than budget. The Plan's TNE at November 30 was 576% of required TNE.

Membership – November membership of 208,890 was below budget by 2,474 members. The Adult and Child aid categories were below budget, however this was largely offset by growth in the Adult Expansion (AE) aid category, with higher than budgeted membership.

Revenue – November fiscal year-to-date net revenue was \$283.2 million or \$1.1 million lower than budget due to membership shortfall. On a per member per month basis, revenue was \$0.76 higher than budget, as a result of membership mix.

MCO Tax – In early October, Senate Bill (“SB”) X2-2 was passed which enacted a new Managed Care Organization (MCO) tax, effective July 1, 2016 through June 30, 2019. SB X2-2 changed the methodology for computing MCO tax as well as timing of payment.

Previously, the Plan’s MCO tax liability was calculated using a flat 3.9375% of premium revenue. SB X2-2 no longer uses premium revenue as a baseline to compute MCO tax. Instead, the calculation is based on the Plan’s historical enrollment using baseline data from October 2014 through September 2015. DHCS calculated GCHP’s total MCO tax liability for the current fiscal year to be approximately \$84.1 million which is to be paid in equal quarterly installments instead of monthly as was previously done. The Plan records MCO tax expense equally at approximately \$7.0 million per month.

The Plan recently received notification from DHCS regarding MCO Tax funding and the November revenue reflects the retroactive inclusion of MCO Tax for the five months of the current fiscal year.

Health Care Costs – Health care costs through November were \$262.6 million or \$0.9 million below budget. MLR was 92.7%, the same as budget.

Some health care cost items of note include:

- Capitation – Includes the AE enhancement program which concluded in July 2016.
- Fee for Service – Includes the final portion of the retroactive true-up of LTC and SNF claims associated with AB1629 finalized rates.

Administrative Expenses – November fiscal year-to-date administrative costs were \$20.4 million or \$2.4 million lower than budget. As a percentage of revenue, administrative costs were 7.2% for the fiscal year (ACR) versus 8.0% for the budget. Administrative savings are primarily related to timing of projects with Professional Services accounting for the largest savings to date.

Cash and Medi-Cal Receivable – At November 30, the Plan had \$470.9 million in cash and short term investments and \$88.2 million in Medi-Cal Receivable for an aggregate amount of \$559.1 million. Looking ahead, the next MCO Tax payment of \$21.0 million is due in January 2017. The AE overpayment due to DHCS (for incorrect rate payments and to achieve 85% MLR) totals \$265.9 million. The AE repayment is expected to commence in July 2017.

Investment Portfolio – As of November 30, 2016, the value of the investments were as follows:

- Short-term Investments \$258.4 million: Cal Trust \$50.6 million; Ventura County Investment Pool \$85.5 million; LAIF CA State \$63.3 million; Bonds \$59.0 million.
- Long-term Investments (Bonds) \$5.2 million.

RECOMMENDATION:

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

CONCURRENCE:

Not Applicable

ATTACHMENT:

November 2016 Financial Package



FINANCIAL PACKAGE

For the month ended November 30, 2016

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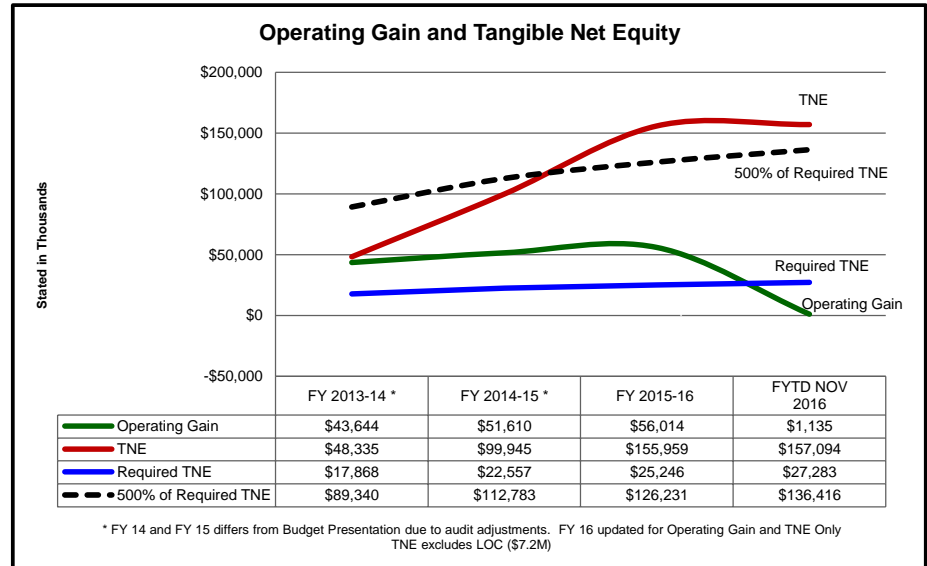
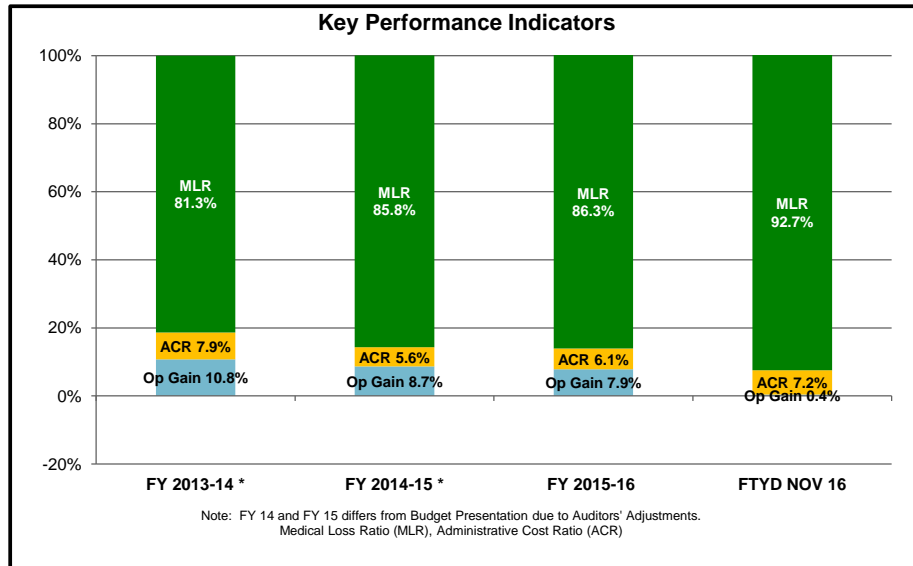
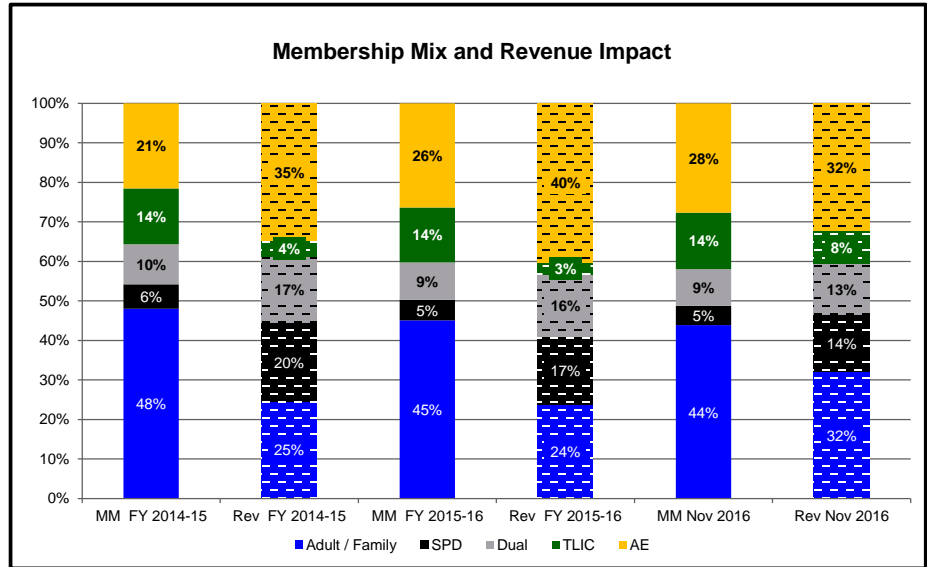
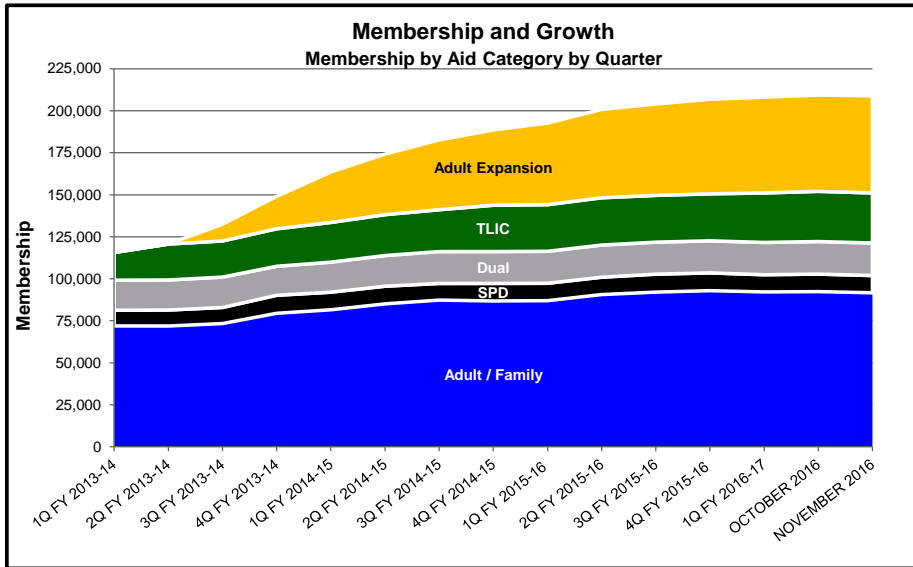
- Financial Overview
- Financial Performance Dashboard
- Cash and Operating Expense Requirements

APPENDIX

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

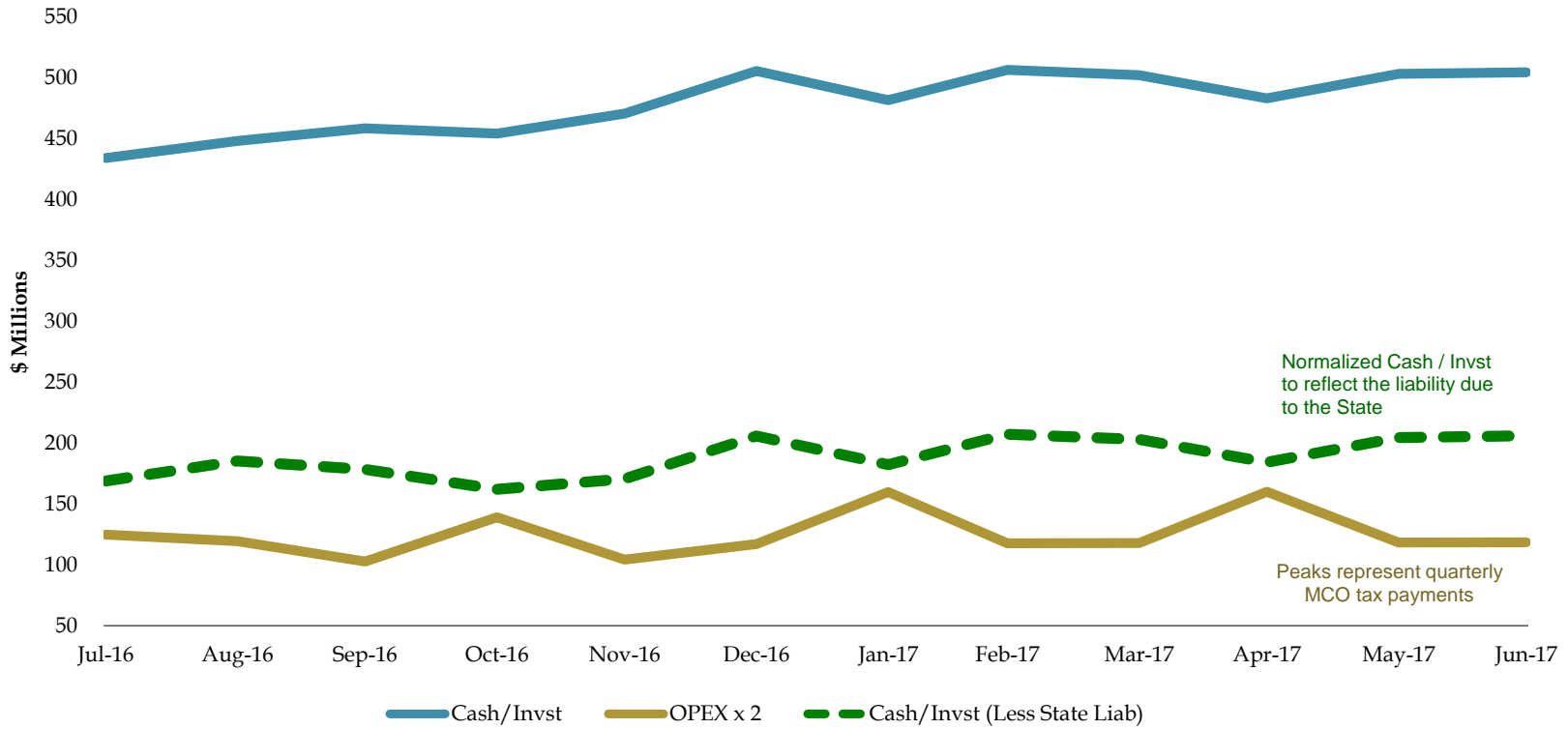
Description	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	FY 2016-17				Budget Comparison	
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	JUL - SEP 16	OCT 16	NOV 16	FYTD NOV 16	Budget FYTD	Variance Fav / (Unfav)
Member Months	1,258,189	1,223,895	1,553,660	2,130,979	2,413,136	626,084	209,381	208,890	1,044,355	1,051,507	(7,152)
Revenue	304,635,932	315,119,611	402,701,476	595,607,370	675,629,602	148,815,746	50,642,097	83,730,577	283,188,420	284,333,737	(1,145,317)
<i>pmpm</i>	242.12	257.47	259.20	279.50	279.98	237.69	241.87	400.84	271.16	270.41	0.76
Health Care Costs	287,353,672	280,382,704	327,305,832	509,183,268	583,149,780	155,466,901	53,042,296	54,123,234	262,632,431	263,500,867	868,437
<i>pmpm</i>	228.39	229.09	210.67	238.94	241.66	248.32	253.33	259.10	251.48	250.59	(0.88)
% of Revenue	94.3%	89.0%	81.3%	85.5%	86.3%	104.5%	104.7%	64.6%	92.7%	92.7%	-0.07%
Admin Exp	18,891,320	24,013,927	31,751,533	34,814,049	38,256,908	12,074,818	4,269,523	4,048,204	20,392,545	22,808,819	2,416,274
<i>pmpm</i>	15.01	19.62	20.44	16.34	15.85	19.29	20.39	19.38	19.53	21.69	2.17
% of Revenue	6.2%	7.6%	7.9%	5.8%	5.7%	8.1%	8.4%	4.8%	7.2%	8.0%	0.82%
Non-Operating Revenue / (Expense)					1,790,949	596,568	211,636	163,074	971,278	613,447	357,831
<i>pmpm</i>					0.74	0.95	1.01	0.78	0.93	0.58	0.35
% of Revenue					0.3%	0.4%	0.4%	0.2%	0.3%	0.2%	0.13%
Total Increase / (Decrease) in Unrestricted Net Assets	(1,609,063)	10,722,980	43,644,110	51,610,053	56,013,863	(18,129,405)	(6,458,086)	25,722,214	1,134,722	(1,362,502)	2,497,224
<i>pmpm</i>	(1.28)	8.76	28.09	24.22	23.21	(28.96)	(30.84)	123.14	1.09	(1.30)	2.38
% of Revenue	-0.5%	3.4%	10.8%	8.7%	8.3%	-12.2%	-12.8%	30.7%	0.4%	-0.5%	0.88%
YTD											
100% TNE	16,769,368	16,138,440	17,867,986	22,556,530	25,246,284	26,096,677	27,172,281	27,283,129	27,283,129	27,319,741	(36,613)
% TNE Required	36%	68%	100%	100%	100%	100%	100%	100%	100%	100%	
Minimum Required TNE	6,036,972	10,974,139	17,867,986	22,556,530	25,246,284	26,096,677	27,172,281	27,283,129	27,283,129	27,319,741	(36,613)
GCHP TNE	(6,031,881)	11,891,099	55,535,211	107,145,264	155,959,127	137,829,722	131,371,635	157,093,849	157,093,849	151,694,653	5,399,196
TNE Excess / (Deficiency)	(12,068,853)	916,960	37,667,225	84,588,734	130,712,843	111,733,045	104,199,354	129,810,721	129,810,721	124,374,912	5,435,808
% of Required TNE level			311%	475%	618%	528%	483%	576%	576%	555%	

FINANCIAL PERFORMANCE DASHBOARD FOR MONTH ENDING November 30, 2016



GOLD COAST HEALTH PLAN FY 2016 - 17

Cash & Operating Expense Requirements





For the month ended November 30, 2016

APPENDIX

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

STATEMENT OF FINANCIAL POSITION

	11/30/16	10/31/16	09/30/16
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	\$ 212,517,390	\$ 241,091,166	\$ 245,686,547
Total Short-Term Investments	258,425,655	213,384,150	213,187,308
Medi-Cal Receivable	88,194,360	56,945,574	59,168,833
Interest Receivable	556,246	504,672	559,544
Provider Receivable	4,907,525	4,893,419	6,276,751
Total Accounts Receivable	93,658,131	62,343,665	66,005,128
Total Prepaid Accounts	1,834,523	1,968,938	1,824,799
Total Other Current Assets	133,545	133,545	133,545
Total Current Assets	566,569,245	518,921,465	526,837,327
Total Fixed Assets	2,637,592	2,691,314	2,756,270
Total Long-Term Investments	5,219,620	10,251,606	10,270,741
Total Assets	\$ 574,426,458	\$ 531,864,384	\$ 539,864,338
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurred But Not Reported	\$ 60,125,488	\$ 57,271,371	\$ 54,272,780
Claims Payable	6,252,184	6,844,936	8,632,103
Capitation Payable	56,900,134	56,743,416	56,735,986
Physician ACA 1202 Payable	591,696	591,696	1,608,014
AB 85 Payable	1,492,926	1,480,508	1,482,258
Accounts Payable	2,485,066	2,289,635	731,216
Accrued ACS	1,688,624	1,716,803	3,418,338
Accrued Expenses	134,641,385	130,341,787	117,831,115
Accrued Premium Tax	13,724,561	6,864,611	20,874,044
Accrued Payroll Expense	983,595	1,174,998	1,089,731
Total Current Liabilities	278,885,660	265,319,760	266,675,586
Long-Term Liabilities:			
DHCS - Reserve for Capitation Recoup	137,519,946	134,269,946	134,479,946
Other Long-term Liability-Deferred Rent	927,003	903,043	879,084
Total Long-Term Liabilities	138,446,949	135,172,989	135,359,030
Total Liabilities	417,332,608	400,492,749	402,034,616
Net Assets:			
Beginning Net Assets	155,959,127	155,959,127	155,959,127
Total Increase / (Decrease in Unrestricted Net	1,134,722	(24,587,491)	(18,129,405)
Total Net Assets	157,093,849	131,371,635	137,829,722
Total Liabilities & Net Assets	\$ 574,426,458	\$ 531,864,384	\$ 539,864,338

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR FIVE MONTHS ENDED NOVEMBER 2016**

	November 2016 Year-To-Date		Variance
	Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	1,044,355	1,051,507	(7,152)
Revenue			
Premium	\$ 321,200,532	\$ 319,564,822	\$ 1,635,710
Reserve for Rate Reduction	(2,900,000)	(1,025,105)	(1,874,895)
MCO Premium Tax	(35,112,112)	(34,205,980)	(906,132)
Total Net Premium	283,188,420	284,333,737	(1,145,317)
Total Revenue	283,188,420	284,333,737	(1,145,317)
Medical Expenses:			
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	29,416,102	25,036,415	(4,379,688)
<u>FFS Claims Expenses:</u>			
Inpatient	56,166,804	52,648,431	(3,518,373)
LTC / SNF	52,188,191	47,918,212	(4,269,979)
Outpatient	19,473,566	20,425,088	951,522
Laboratory and Radiology	1,491,140	1,207,179	(283,961)
Emergency Room	8,314,657	8,967,423	652,766
Physician Specialty	21,950,374	23,778,501	1,828,127
Primary Care Physician	5,917,707	7,766,759	1,849,052
Home & Community Based Services	6,888,124	6,523,171	(364,952)
Applied Behavior Analysis Services	1,658,464	597,530	(1,060,933)
Mental Health Services	1,917,665	1,721,651	(196,014)
Pharmacy	48,404,760	48,754,553	349,793
Provider Reserve	0	5,038,993	5,038,993
Other Medical Professional	1,184,033	1,035,168	(148,864)
Other Medical Care	663	0	(663)
Other Fee For Service	3,492,785	3,152,292	(340,492)
Transportation	618,846	644,995	26,150
Total Claims	229,667,777	230,179,947	512,171
Medical & Care Management Expense	4,842,945	5,781,919	938,974
Reinsurance	(139,721)	2,502,587	2,642,307
Claims Recoveries	(1,154,673)	0	1,154,673
Sub-total	3,548,552	8,284,505	4,735,954
Total Cost of Health Care	262,632,431	263,500,867	868,437
Contribution Margin	20,555,990	20,832,870	(276,880)
General & Administrative Expenses:			
Salaries, Wages & Employee Benefits	6,085,190	6,151,314	66,124
Training, Conference & Travel	197,853	298,240	100,387
Outside Services	10,442,527	10,971,961	529,433
Professional Services	1,743,024	2,814,507	1,071,483
Occupancy, Supplies, Insurance & Others	1,923,952	2,572,798	648,846
ARCH/Community Grants	0	0	0
Total G & A Expenses	20,392,545	22,808,819	2,416,274
Total Operating Gain / (Loss)	\$ 163,444	\$ (1,975,950)	\$ 2,139,394
Non Operating			
Revenues - Interest	971,278	613,447	357,831
Total Non-Operating	971,278	613,447	357,831
Total Increase / (Decrease) in Unrestricted Net Assets	\$ 1,134,722	\$ (1,362,502)	\$ 2,497,225
Net Assets, Beginning of Year	155,959,127		
Net Assets, End of Year	157,093,849		

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	FY 2016-17 Monthly Trend			Current Month		
	AUG 16	SEP 16	OCT 16	NOVEMBER 2016		Variance
				Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	208,680	208,690	209,381	208,890	211,364	(2,474)
Revenue:						
Premium	\$ 56,062,336	\$ 56,571,808	\$ 57,442,351	\$ 94,037,969	\$ 64,197,543	\$ 29,840,426
Reserve for Rate Reduction	2,400,000	(5,100,000)	210,000	(3,250,000)	(215,990)	(3,034,010)
MCO Premium Tax	630	(21,021,295)	(7,010,254)	(7,057,392)	(6,873,427)	(183,965)
Total Net Premium	58,462,967	30,450,514	50,642,097	83,730,577	57,108,126	26,622,451
Total Revenue	58,462,967	30,450,514	50,642,097	83,730,577	57,108,126	26,622,451
Medical Expenses:						
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	5,002,696	5,038,794	5,046,179	5,203,391	5,030,874	(172,517)
<u>FFS Claims Expenses:</u>						
Inpatient	10,744,802	7,747,745	11,964,545	14,676,172	10,584,271	(4,091,901)
LTC / SNF	14,224,757	10,733,194	9,735,480	9,692,962	9,603,185	(89,776)
Outpatient	4,248,974	3,158,051	4,305,891	4,396,347	4,104,908	(291,439)
Laboratory and Radiology	224,070	291,159	228,035	556,070	242,775	(313,295)
Physician ACA 1202	0	0	0	0	0	0
Emergency Room	1,917,965	1,522,768	1,784,768	1,629,759	1,802,472	172,712
Physician Specialty	4,752,608	3,491,013	4,428,998	3,902,514	4,782,486	879,972
Primary Care Physician	1,416,404	1,070,439	1,003,315	1,320,692	1,561,898	241,206
Home & Community Based Services	1,401,652	1,428,204	1,576,779	1,479,249	1,313,665	(165,583)
Applied Behavior Analysis Services	247,919	455,119	348,223	394,263	119,811	(274,452)
Mental Health Services	1,084,374	(213,235)	551,041	209,386	345,766	136,381
Pharmacy	9,865,405	9,839,875	10,053,071	9,543,842	9,792,550	248,709
Provider Reserve	0	0	0	0	1,011,880	1,011,880
Other Medical Professional	279,745	221,659	268,159	249,006	208,081	(40,925)
Other Fee For Service	876,905	659,492	685,173	683,412	633,000	(50,412)
Transportation	130,571	133,842	114,936	111,824	129,469	17,645
Total Claims	51,416,151	40,539,327	47,048,648	48,845,497	46,236,218	(2,609,279)
Medical & Care Management Expense	925,002	970,163	1,043,399	1,013,487	1,168,177	154,690
Reinsurance	(207,651)	259,013	(4,712)	(445,809)	503,046	948,855
Claims Recoveries	(189,127)	(183,289)	(91,218)	(493,332)	0	493,332
Sub-total	528,223	1,045,887	947,469	74,346	1,671,223	1,596,877
Total Cost of Health Care	56,947,070	46,624,009	53,042,296	54,123,234	52,938,315	(1,184,919)
Contribution Margin	1,515,896	(16,173,495)	(2,400,200)	29,607,344	4,169,811	25,437,533
General & Administrative Expenses:						
Salaries, Wages & Employee Benefits	1,204,650	1,143,954	1,318,517	1,265,852	1,295,965	30,113
Training, Conference & Travel	16,943	87,514	38,992	29,612	50,717	21,105
Outside Services	2,153,545	2,094,389	2,091,142	2,045,626	2,191,657	146,031
Professional Services	392,757	278,051	472,193	300,860	447,613	146,753
Occupancy, Supplies, Insurance & Others	389,291	377,035	348,679	406,254	510,783	104,529
Total G & A Expenses	4,157,186	3,980,944	4,269,523	4,048,204	4,496,735	448,531
Total Operating Gain / (Loss)	(2,641,290)	(20,154,439)	(6,669,723)	25,559,140	(326,924)	25,886,064
Non Operating:						
Revenues - Interest	186,649	190,052	211,636	163,074	78,940	84,134
Total Non-Operating	186,649	190,052	211,636	163,074	78,940	84,134
Total Increase / (Decrease) in Unrestricted Net Assets	(2,454,641)	(19,964,387)	(6,458,086)	25,722,214	(247,984)	25,970,198
Full Time Employees				183	198	15

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

	FY 2016-17 Monthly Trend			NOVEMBER 2016		Variance
	AUG 16	SEP 16	OCT 16	Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	208,680	208,690	209,381	208,890	211,364	(2,474)
Revenue:						
Premium	268.65	271.08	274.34	450.18	303.73	146.45
Reserve for Rate Reduction	11.50	(24.44)	1.00	(15.56)	(1.02)	(14.54)
MCO Premium Tax	0.00	(100.73)	(33.48)	(33.79)	(32.52)	(1.27)
Total Net Premium	280.16	145.91	241.87	400.84	270.19	130.65
Other Revenue:						
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Revenue	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	280.16	145.91	241.87	400.84	270.19	130.65
Medical Expenses:						
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	23.97	24.14	24.10	24.91	23.80	(1.11)
<u>FFS Claims Expenses:</u>						
Inpatient	51.49	37.13	57.14	70.26	50.08	(20.18)
LTC / SNF	68.17	51.43	46.50	46.40	45.43	(0.97)
Outpatient	20.36	15.13	20.56	21.05	19.42	(1.63)
Laboratory and Radiology	1.07	1.40	1.09	2.66	1.15	(1.51)
Emergency Room	9.19	7.30	8.52	7.80	8.53	0.73
Physician Specialty	22.77	16.73	21.15	18.68	22.63	3.94
Primary Care Physician	6.79	5.13	4.79	6.32	7.39	1.07
Home & Community Based Services	6.72	6.84	7.53	7.08	6.22	(0.87)
Applied Behavior Analysis Services	1.19	2.18	1.66	1.89	0.57	(1.32)
Mental Health Services	5.20	(1.02)	2.63	1.00	1.64	0.63
Pharmacy	47.28	47.15	48.01	45.69	46.33	0.64
Provider Reserve	0.00	0.00	0.00	0.00	4.79	4.79
Other Medical Professional	1.34	1.06	1.28	1.19	0.98	(0.21)
Other Medical Care	0.00	0.00	0.00	0.00	0.00	0.00
Other Fee For Service	4.20	3.16	3.27	3.27	2.99	(0.28)
Transportation	0.63	0.64	0.55	0.54	0.61	0.08
Total Claims	246.39	194.26	224.70	233.83	218.75	(15.08)
Medical & Care Management Expense	4.43	4.65	4.98	4.85	5.53	0.68
Reinsurance	(1.00)	1.24	(0.02)	(2.13)	2.38	4.51
Claims Recoveries	(0.91)	(0.88)	(0.44)	(2.36)	0.00	2.36
Sub-total	2.53	5.01	4.53	0.36	7.91	7.55
Total Cost of Health Care	272.89	223.41	253.33	259.10	250.46	(8.64)
Contribution Margin	7.26	(77.50)	(11.46)	141.74	19.73	122.01
General & Administrative Expenses:						
Salaries, Wages & Employee Benefits	5.77	5.48	6.30	6.06	6.13	0.07
Training, Conference & Travel	0.08	0.42	0.19	0.14	0.24	0.10
Outside Services	10.32	10.04	9.99	9.79	10.37	0.58
Professional Services	1.88	1.33	2.26	1.44	2.12	0.68
Occupancy, Supplies, Insurance & Others	1.87	1.81	1.67	1.94	2.42	0.47
ARCH/Community Grants	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00	0.00
Total G & A Expenses	19.92	19.08	20.39	19.38	21.27	1.90
Total Operating Gain / (Loss)	(12.66)	(96.58)	(31.85)	122.36	(1.55)	123.90
Non Operating:						
Revenues - Interest	0.89	0.91	1.01	0.78	0.37	0.41
Total Non-Operating	0.89	0.91	1.01	0.78	0.37	0.41
Total Increase / (Decrease) in Unrestricted Net Assets	(11.76)	(95.67)	(30.84)	123.14	(1.17)	124.31

STATEMENT OF CASH FLOWS - FYTD

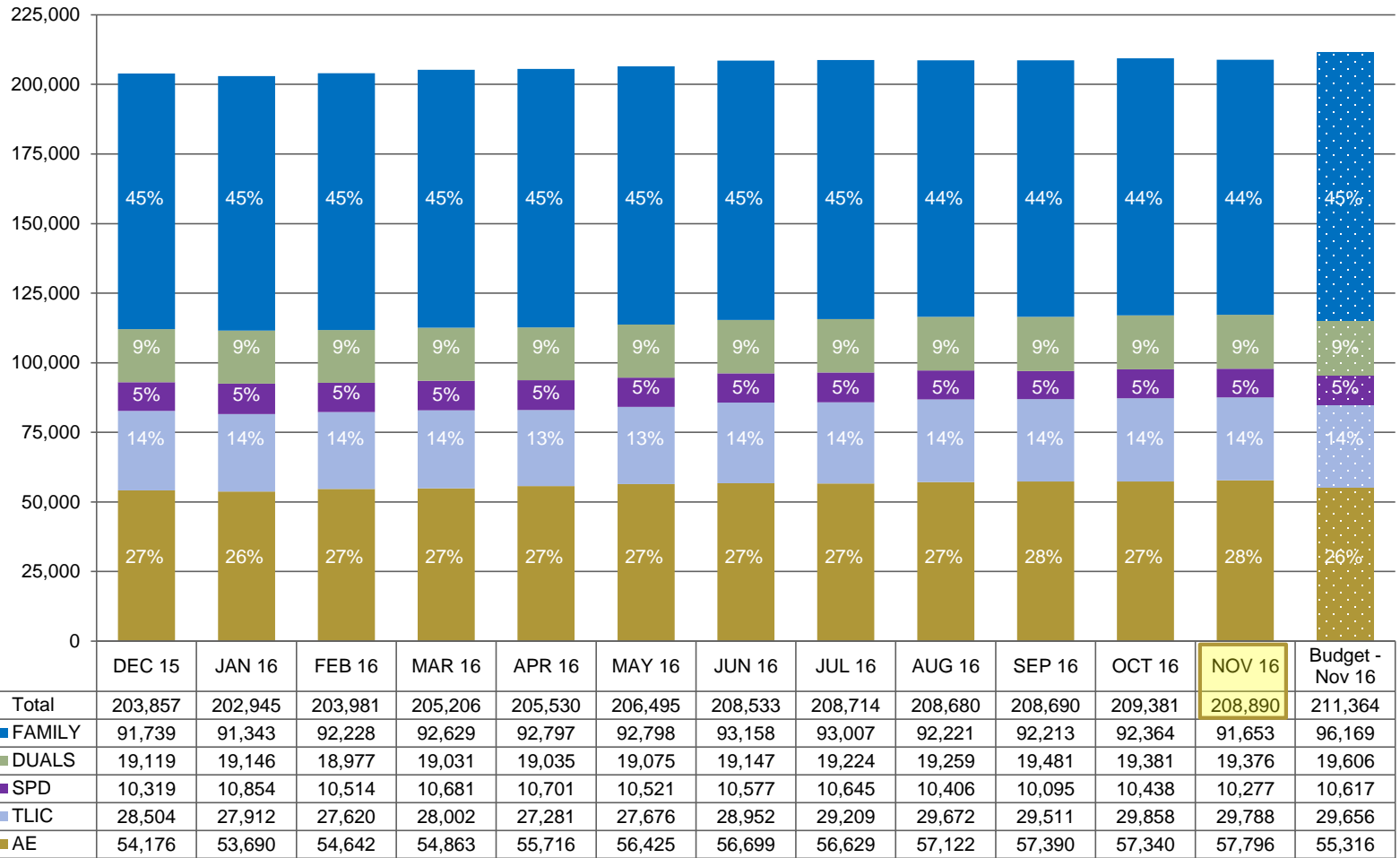
	NOV 16
Cash Flow From Operating Activities	
Collected Premium	\$ 414,506,945
Miscellaneous Income	612,692
State Pass Through Funds	9,890,537
<u>Paid Claims</u>	
Medical & Hospital Expenses	(179,228,353)
Pharmacy	(50,184,204)
Capitation	(24,221,522)
Reinsurance of Claims	(1,296,566)
State Pass Through Funds Distributed	(9,733,734)
Paid Administration	(24,566,043)
MCO Taxes Received / (Paid)	(26,961,274)
Net Cash Provided / (Used) by Operating Activities	108,818,478
Cash Flow From Investing / Financing Activities	
Net Acquisition / Proceeds from Investments	(40,377,511)
Net Discount / Premium Amortization of Investments	359,186
Net Acquisition of Property / Equipment	(375,230)
Net Cash Provided / (Used) by Investing / Financing	(40,393,554)
Net Cash Flow	\$ 68,424,924
Cash and Cash Equivalents (Beg. of Period)	144,092,466
Cash and Cash Equivalents (End of Period)	212,517,390
	\$ 68,424,924
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income / (Loss)	1,134,722
Depreciation & Amortization	282,378
Net Discount / Premium Amortization of Investments	(359,186)
Decrease / (Increase) in Receivables	36,348,141
Decrease / (Increase) in Prepaids & Other Current Assets	(229,397)
(Decrease) / Increase in Payables	58,770,211
(Decrease) / Increase in Other Liabilities	3,019,798
Change in MCO Tax Liability	8,148,565
Changes in Claims and Capitation Payable	(2,110,849)
Changes in IBNR	3,814,096
	108,818,478
Net Cash Flow from Operating Activities	\$ 108,818,478

STATEMENT OF CASH FLOWS - MONTHLY

	NOV 16	OCT 16	SEP 16
Cash Flow From Operating Activities			
Collected Premium	\$ 67,346,446	\$ 71,859,110	\$ 66,845,119
Miscellaneous Income	103,527	34,529	180,849
State Pass Through Funds	1,480,308	1,482,137	1,475,269
<u>Paid Claims</u>			
Medical & Hospital Expenses	(36,727,345)	(35,550,674)	(33,587,876)
Pharmacy	(10,259,026)	(10,214,616)	(14,928,088)
Capitation	(4,886,047)	(4,877,725)	(4,840,466)
Reinsurance of Claims	(259,610)	(258,964)	(259,013)
State Pass Through Funds Distributed	(1,480,508)	(1,482,258)	(1,475,381)
Paid Administration	(3,742,401)	(4,576,541)	(2,744,825)
MCO Tax Received / (Paid)	(196,518)	(21,018,984)	(80,123)
Net Cash Provided / (Used) by Operating Activities	11,378,825	(4,603,987)	10,585,463
Cash Flow From Investing / Financing Activities			
Net Acquisition / Proceeds from Investments	(40,009,520)	(177,707)	134,628
Net Discount / Premium Amortization of Investments	59,547	177,707	9,203
Net Acquisition of Property / Equipment	(2,629)	8,606	(184,792)
Net Cash Provided / (Used) by Investing / Financing	(39,952,601)	8,606	(40,961)
Net Cash Flow	\$ (28,573,776)	\$ (4,595,381)	\$ 10,544,502
Cash and Cash Equivalents (Beg. of Period)	241,091,166	245,686,547	235,142,045
Cash and Cash Equivalents (End of Period)	212,517,390	241,091,166	245,686,547
	\$ (28,573,776)	\$ (4,595,381)	\$ 10,544,502
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	25,722,214	(6,458,086)	(19,964,387)
Net Discount / Premium Amortization of Investments	(59,547)	(177,707)	(9,203)
Depreciation & Amortization	56,350	56,350	56,781
Decrease / (Increase) in Receivables	(31,314,466)	3,661,463	(3,510,778)
Decrease / (Increase) in Prepaids & Other Current Ass	134,415	(144,140)	81,451
(Decrease) / Increase in Payables	4,287,866	11,434,754	19,510,854
(Decrease) / Increase in Other Liabilities	3,273,960	(186,041)	5,123,959
Change in MCO Tax Liability	6,859,950	(14,009,434)	20,940,582
Changes in Claims and Capitation Payable	(436,034)	(1,779,737)	(4,605,551)
Changes in IBNR	2,854,117	2,998,591	(7,038,245)
	11,378,825	(4,603,987)	26,010,488
Net Cash Flow from Operating Activities	11,378,825	(4,603,987)	10,585,463

GOLD COAST HEALTH PLAN

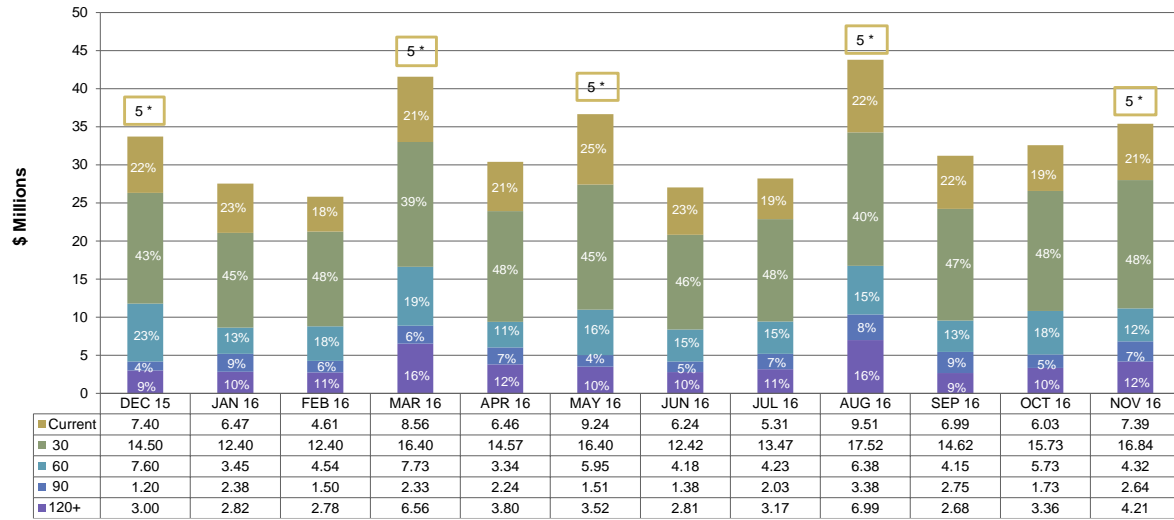
Membership - Rolling 12 Month



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

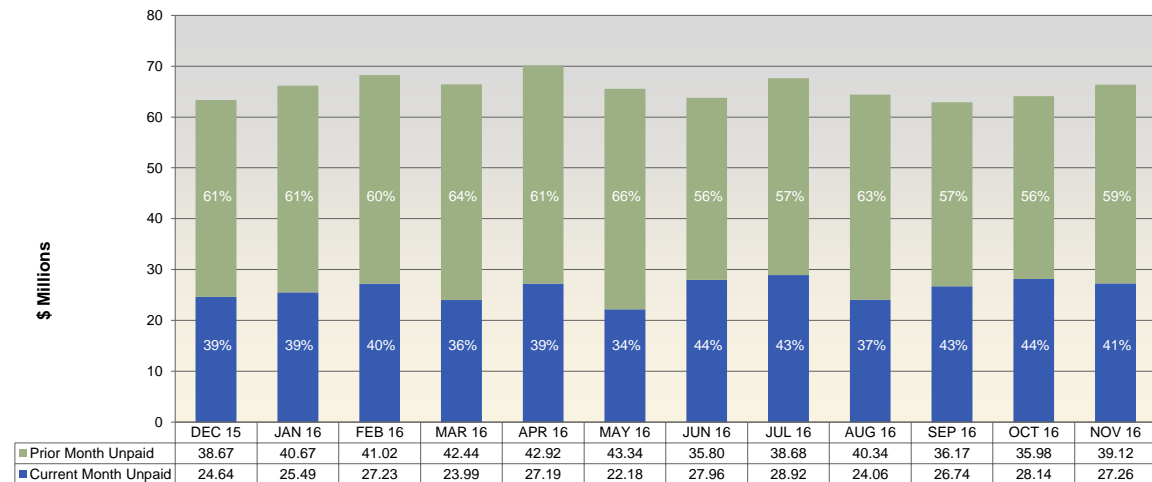
**GOLD COAST HEALTH PLAN
NOVEMBER 2016**

Paid Claims Composition (excluding Pharmacy and Capitation Payments)



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

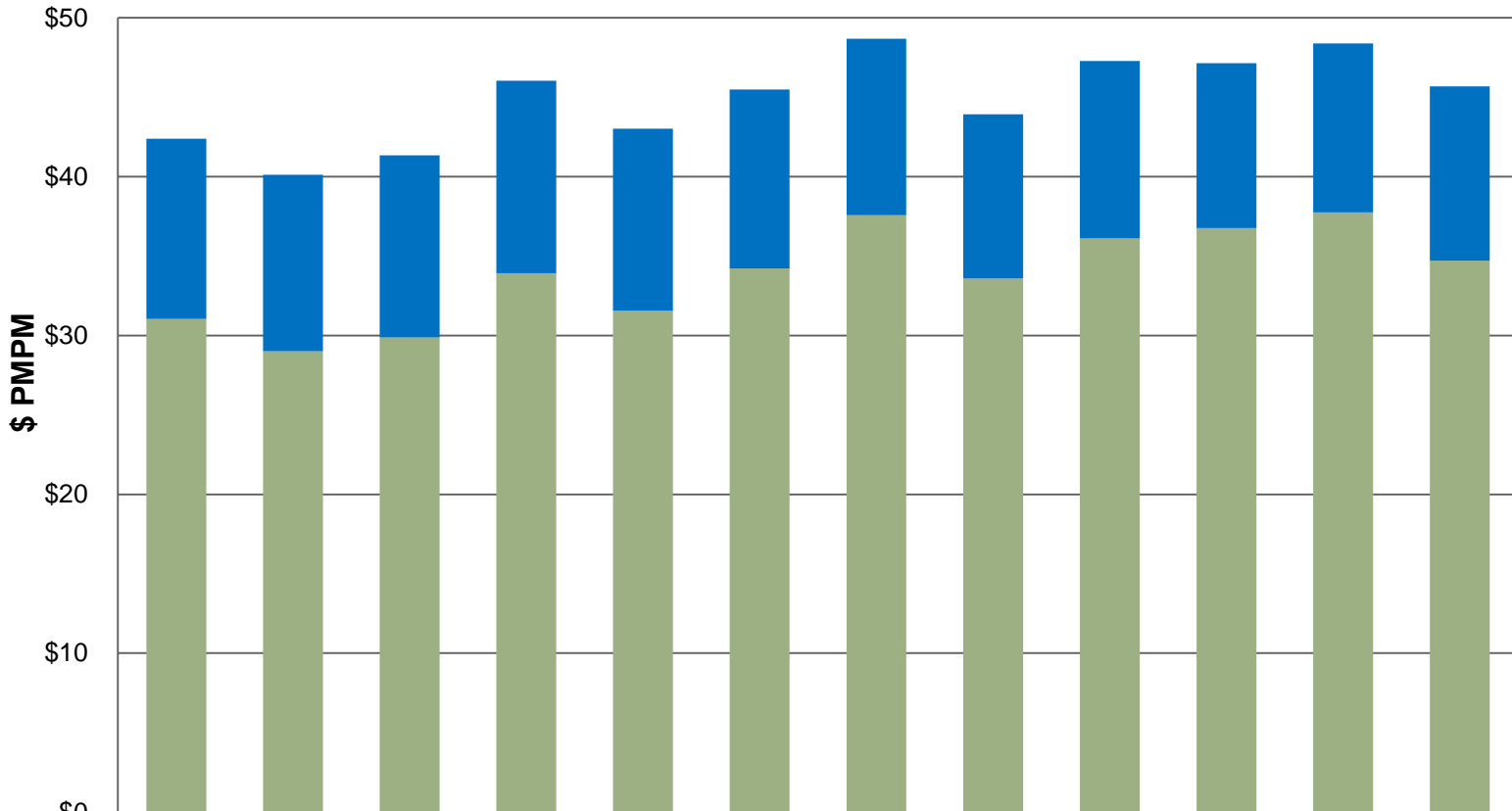
IBNP Composition (excluding Pharmacy and Capitation)



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

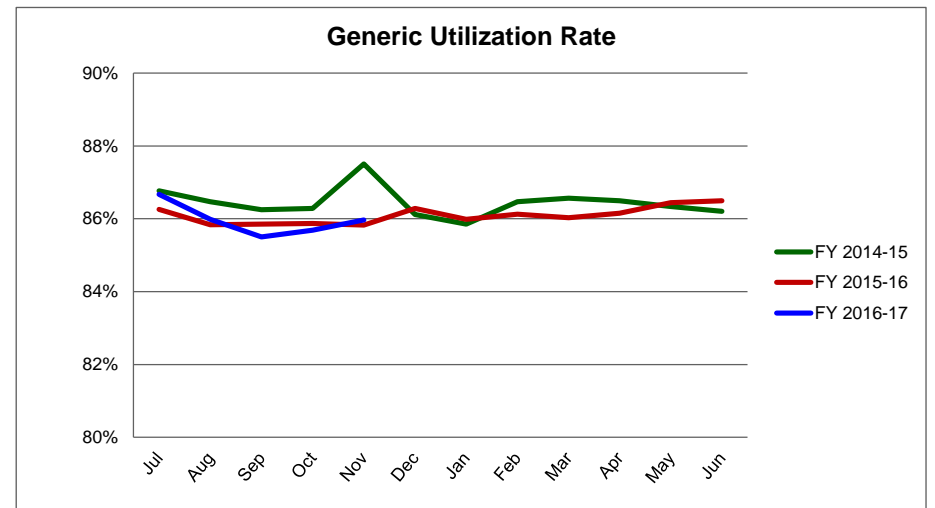
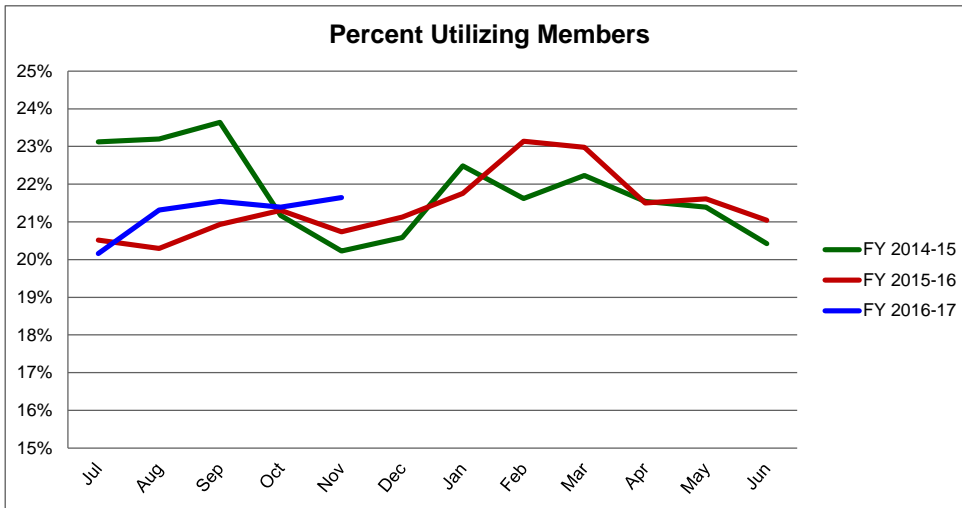
GOLD COAST HEALTH PLAN

Pharmacy Cost Trend

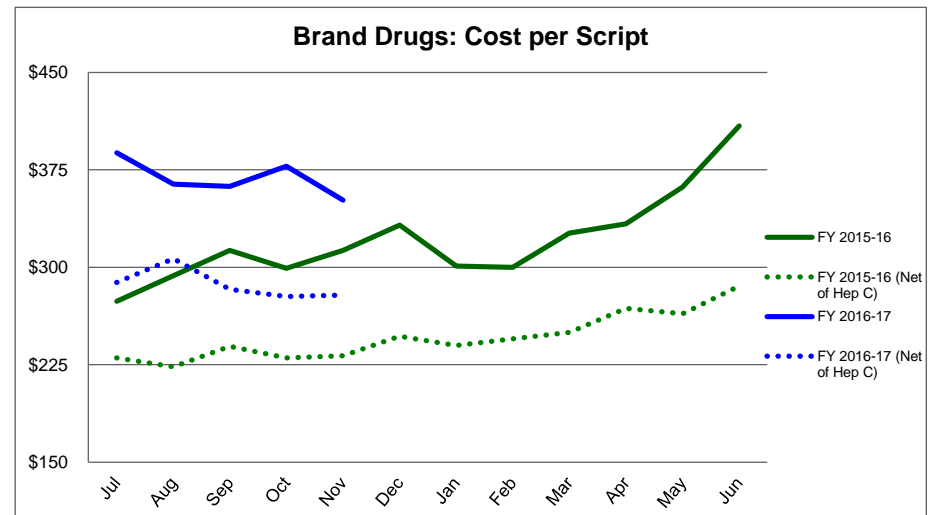
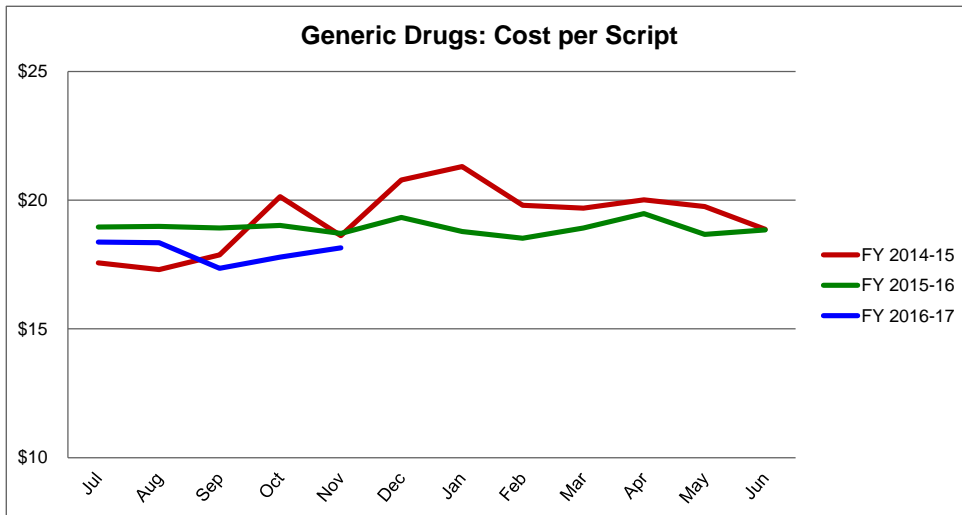


	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16	JUN 16	JUL 16	AUG 16	SEP 16	OCT 16	NOV 16
AVG PMPM	\$42.39	\$40.11	\$41.33	\$46.03	\$43.01	\$45.48	\$48.67	\$43.93	\$47.28	\$47.15	\$48.38	\$45.69
GENERIC	\$11.35	\$11.11	\$11.45	\$12.11	\$11.47	\$11.26	\$11.09	\$10.34	\$11.17	\$10.39	\$10.64	\$10.97
BRAND	\$31.04	\$29.00	\$29.88	\$33.92	\$31.55	\$34.22	\$37.58	\$33.59	\$36.11	\$36.77	\$37.74	\$34.71

**GOLD COAST HEALTH PLAN
PHARMACY ANALYSIS**



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



AGENDA ITEM NO. 4

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Brandy Armenta, Director of Compliance

DATE: January 5, 2017

SUBJECT: Contract Approval – SAI Global Inc.

SUMMARY:

Compliance 360 is Gold Coast Health Plan's (GCHP) compliance, governance, and risk (GRC) software solution. The Compliance Department has used this solution since the Plan's inception, five years ago to develop, maintain, and monitor complex policy and regulatory requirements as well as affiliated cross-departmental, cross-functional business workflows. This solution contributed to GCHP's recent successful Department of Health Care Services' audit result of a single finding since it permits all GCHP's GRC initiatives to be managed from a single system of record for compliance, risk, and audit management. The technology is a hosted, Software as a Service solution, (SaaS). The Plan is requesting continued use of this technology for an additional five year term in order to maintain consistent oversight and compliance related processes.

FISCAL IMPACT:

The initial five year annual service fee was \$33,532. The five year renewal annual service fee is \$34,538 and within the contractual price increase cap of 5%. The five year committed amount is \$172,690. The initial five year contracted period ended on November 14, 2016, and the agreement auto renews for additional one year periods, unless either party gives the other written notice of its intent to not renew at least 60 days prior to the end of the then current term. The five year renewal is a contractual commitment paid annually over the five year term ending on November 14, 2021.

RECOMMENDATION:

It is the Plan's recommendation to continue service with SAI Global Inc., using their Compliance 360 SaaS technology for an additional five year period.

January VCMCC Meeting
Contracts Exceeding One Hundred Thousand Dollars, (\$100,000)

Vendor Name	Business Owner	Contract Term	Future Committed or Projected Spend Amount	Product or Service	Background and Summary Reference Full Staff Report For Details
Milliman Inc.	Melissa Scrymgeour	1/1/15 – 12/31/20 Renewal period is 1/1/17-12/31/20	\$313,205 per year. (Requesting advanced approval for 3 additional one-year auto renewals, total estimated amount for 4 year period is \$1,252,818)	Med-Insight software.	Milliman Inc. is GCHP's incumbent vendor providing business critical analytics software, MedInsight (MI). GCHP staff uses the MI business intelligence platform to support business critical analytics functions, including financial analysis, such as IBNR and RDT calculations and processes, as well as demographic and clinical analysis which help drive business decisions around key programs that support improved health outcomes for our members.
SAI Global Inc.	Ralph Oyaga	11/14/11 – 11/13/21 Renewal period is 11/14/16 – 11/13/21	\$172,690, (\$34,538 per year)	Compliance 360 software	Compliance 360 is GCHP's compliance, governance, and risk (GRC) software solution. The Compliance Department has used this solution since the Plan's inception, five years ago, to develop, maintain and monitor complex policy and regulatory requirements as well as affiliated cross-departmental, cross-functional business workflows
DME Consulting Group Inc.	Dr. Wharfield	1/1/15 – 12/31/19 Renewal period is 1/1/17-12/31/19	\$150,000, (\$50,000 per year)	In home Medical Necessity Assessment	DME Consulting Group Inc. is GCHP's existing in home member assessment vendor. These in home assessments determine medical necessity for durable medical equipment, including wheelchairs, wheelchair repairs, POV/scooters, hospital beds, pediatric wheelchairs and strollers, hooyer lifts, prostheses, and home safety assessments.

Vendor Name	Business Owner	Contract Term	Future Committed or Projected Spend Amount	Product or Service	Background and Summary Reference Full Staff Report For Details
Coffey Communications Inc.	Ralph Oyaga	1/1/17 – 12/31/19	\$294,000, (\$98,000 per year)	Print Fulfillment Services	Coffey Communications, in direct consultation with GCHP’s Communications Department, provides member fulfillment/direct-mailing services targeted to GCHP’s membership. They advise and provide the Plan with the best possible postal discount rates available through a variety of mail carriers (e.g., USPS, UPS, FedEx, etc.), assist in the handling and reparation of direct-mail and collateral (e.g., folding, collating, tabbing, inserting, sealing, affixing live stamps, metering, mail merging of letters and envelopes, etc.) and provide graphic art direction, design and printing.
Coffey Communications Inc.	Ralph Oyaga	1/1/17 – 12/31/19	\$478,500, (\$159,500 per year)	Member Newsletters	Coffey Communications Inc. (Coffey) is the incumbent publisher of GCHP’s member newsletter “Winning Health,” which is published three times per year and distributed to approximately 90,000 unique households.
mPulse Mobil Inc.	Dr. Wharfield	2/1/17 – 1/31/19	\$250,000	Member Text Messaging	mPulse Mobil Inc. is the incumbent provider of text messaging communication to GCHP’s members. GCHP successfully piloted this technology earlier this year. Currently, the Plan is working with the California Health Care Foundation (CHCF) and mPulse on how to jointly leverage the functionality. We anticipate using text messaging as part of our Asthma Disease Management program with objectives to improve our members’ experience with interactive 2-way messaging and education around how to navigate the health care system.



AGENDA ITEM NO. 5

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Dr. Nancy Wharfield, Associate Chief Medical Director
DATE: January 5, 2017
SUBJECT: Contract Approval – DME Consulting Group Inc.

SUMMARY:

DME Consulting Group Inc. is GCHP's existing in home member assessment vendor. These in home assessments determine medical necessity for durable medical equipment, including wheelchairs, wheelchair repairs, POV/scooters, hospital beds, pediatric wheelchairs and strollers, hoier lifts, prostheses, and home safety assessments. DME has been performing these services for GCHP since February of 2015 and has consistently delivered high quality service. The current agreement term was evergreen and based on past performance and non-interruption to member services. The Plan is recommending continued use of DME Consulting Group for an additional three year period.

FISCAL IMPACT:

The agreement is a non-requirements contract which allows the Plan to use the services ad-hoc at the rates specified. The agreement can be terminated for convenience at any time with a fifteen (15) day notice. The unit cost for each assessment is \$350. The Plan currently spends approximately \$45,000 per year and the three year extension is estimated to not exceed \$150,000.

RECOMMENDATION:

It is the Plan's recommendation to continue service with DME Consulting Inc. for an additional three (3) year period.

January VCMCC Meeting
Contracts Exceeding One Hundred Thousand Dollars, (\$100,000)

Vendor Name	Business Owner	Contract Term	Future Committed or Projected Spend Amount	Product or Service	Background and Summary Reference Full Staff Report For Details
Milliman Inc.	Melissa Scrymgeour	1/1/15 – 12/31/20 Renewal period is 1/1/17-12/31/20	\$313,205 per year. (Requesting advanced approval for 3 additional one-year auto renewals, total estimated amount for 4 year period is \$1,252,818)	Med-Insight software.	Milliman Inc. is GCHP's incumbent vendor providing business critical analytics software, MedInsight (MI). GCHP staff uses the MI business intelligence platform to support business critical analytics functions, including financial analysis, such as IBNR and RDT calculations and processes, as well as demographic and clinical analysis which help drive business decisions around key programs that support improved health outcomes for our members.
SAI Global Inc.	Ralph Oyaga	11/14/11 – 11/13/21 Renewal period is 11/14/16 – 11/13/21	\$172,690, (\$34,538 per year)	Compliance 360 software	Compliance 360 is GCHP's compliance, governance, and risk (GRC) software solution. The Compliance Department has used this solution since the Plan's inception, five years ago, to develop, maintain and monitor complex policy and regulatory requirements as well as affiliated cross-departmental, cross-functional business workflows
DME Consulting Group Inc.	Dr. Wharfield	1/1/15 – 12/31/19 Renewal period is 1/1/17-12/31/19	\$150,000, (\$50,000 per year)	In home Medical Necessity Assessment	DME Consulting Group Inc. is GCHP's existing in home member assessment vendor. These in home assessments determine medical necessity for durable medical equipment, including wheelchairs, wheelchair repairs, POV/scooters, hospital beds, pediatric wheelchairs and strollers, hooyer lifts, prostheses, and home safety assessments.

Vendor Name	Business Owner	Contract Term	Future Committed or Projected Spend Amount	Product or Service	Background and Summary Reference Full Staff Report For Details
Coffey Communications Inc.	Ralph Oyaga	1/1/17 – 12/31/19	\$294,000, (\$98,000 per year)	Print Fulfillment Services	Coffey Communications, in direct consultation with GCHP’s Communications Department, provides member fulfillment/direct-mailing services targeted to GCHP’s membership. They advise and provide the Plan with the best possible postal discount rates available through a variety of mail carriers (e.g., USPS, UPS, FedEx, etc.), assist in the handling and reparation of direct-mail and collateral (e.g., folding, collating, tabbing, inserting, sealing, affixing live stamps, metering, mail merging of letters and envelopes, etc.) and provide graphic art direction, design and printing.
Coffey Communications Inc.	Ralph Oyaga	1/1/17 – 12/31/19	\$478,500, (\$159,500 per year)	Member Newsletters	Coffey Communications Inc. (Coffey) is the incumbent publisher of GCHP’s member newsletter “Winning Health,” which is published three times per year and distributed to approximately 90,000 unique households.
mPulse Mobil Inc.	Dr. Wharfield	2/1/17 – 1/31/19	\$250,000	Member Text Messaging	mPulse Mobil Inc. is the incumbent provider of text messaging communication to GCHP’s members. GCHP successfully piloted this technology earlier this year. Currently, the Plan is working with the California Health Care Foundation (CHCF) and mPulse on how to jointly leverage the functionality. We anticipate using text messaging as part of our Asthma Disease Management program with objectives to improve our members’ experience with interactive 2-way messaging and education around how to navigate the health care system.



AGENDA REPORT NO. 6

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Melissa Scrymgeour, Chief Information & Strategy Officer
DATE: January 5, 2017
SUBJECT: Contract Approval – Milliman Inc.

SUMMARY:

Milliman Inc. is GCHP's incumbent vendor providing business critical analytics software, MedInsight (MI). GCHP staff uses the MI business intelligence platform to support business critical analytics functions, including financial analysis, such as IBNR and RDT calculations and processes, as well as demographic and clinical analysis which help drive business decisions around key programs that support improved health outcomes for our members. The software tool is also used to provide important Plan performance data to GCHP's Commission on a monthly basis. The technology is a hosted, Software as a Service (SaaS) solution. The Plan executed a contract with Milliman in 2012 for the on premise system and migrated to the SaaS platform in 2015 for improved functionality and flexible growth. GCHP requires continued use of the MI technology through this contract renewal period and into future years until business drivers indicate a need to evaluate and procure new technology in this space.

FISCAL IMPACT:

The 2017 annual renewal fee (software licensing and hosting) is expected not-to-exceed \$313,205. The initial two-year contracted period ended on December 31, 2016 and the agreement auto renews for additional one year periods, unless either party provides the other written notice of its intent to not renew at least 60 days prior to the end of the then current term. The 2017 renewal period covers through December 31, 2017. The renewal fees are included in the approved FY16/17 budget.

RECOMMENDATION:

It is the Plan's recommendation to continue utilization of the Milliman MedInsight analytics platform for business intelligence through the 2017 renewal period. Additionally, the Plan recommends to continue with annual auto-renewals for three (3) consecutive year periods through 12/31/2020 or until such time business drivers dictate alternate technology needs.

January VCMCC Meeting
Contracts Exceeding One Hundred Thousand Dollars, (\$100,000)

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Milliman Inc.	Melissa Scrymgeour	1/1/15 – 12/31/20 Renewal period is 1/1/17-12/31/20	\$313,205 per year. (Requesting advanced approval for 3 additional one-year auto renewals, total estimated amount for 4 year period is \$1,252,818)	Med-Insight software.	Milliman Inc. is GCHP's incumbent vendor providing business critical analytics software, MedInsight (MI). GCHP staff uses the MI business intelligence platform to support business critical analytics functions, including financial analysis, such as IBNR and RDT calculations and processes, as well as demographic and clinical analysis which help drive business decisions around key programs that support improved health outcomes for our members.
SAI Global Inc.	Ralph Oyaga	11/14/11 – 11/13/21 Renewal period is 11/14/16 – 11/13/21	\$172,690, (\$34,538 per year)	Compliance 360 software	Compliance 360 is GCHP's compliance, governance, and risk (GRC) software solution. The Compliance Department has used this solution since the Plan's inception, five years ago, to develop, maintain and monitor complex policy and regulatory requirements as well as affiliated cross-departmental, cross-functional business workflows
DME Consulting Group Inc.	Dr. Wharfield	1/1/15 – 12/31/19 Renewal period is 1/1/17-12/31/19	\$150,000, (\$50,000 per year)	In home Medical Necessity Assessment	DME Consulting Group Inc. is GCHP's existing in home member assessment vendor. These in home assessments determine medical necessity for durable medical equipment, including wheelchairs, wheelchair repairs, POV/scooters, hospital beds, pediatric wheelchairs and strollers, hoist lifts, prostheses, and home safety assessments.

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Coffey Communications Inc.	Ralph Oyaga	1/1/17 – 12/31/19	\$294,000, (\$98,000 per year)	Print Fulfillment Services	Coffey Communications, in direct consultation with GCHP’s Communications Department, provides member fulfillment/direct-mailing services targeted to GCHP’s membership. They advise and provide the Plan with the best possible postal discount rates available through a variety of mail carriers (e.g., USPS, UPS, FedEx, etc.), assist in the handling and reparation of direct-mail and collateral (e.g., folding, collating, tabbing, inserting, sealing, affixing live stamps, metering, mail merging of letters and envelopes, etc.) and provide graphic art direction, design and printing.
Coffey Communications Inc.	Ralph Oyaga	1/1/17 – 12/31/19	\$478,500, (\$159,500 per year)	Member Newsletters	Coffey Communications Inc. (Coffey) is the incumbent publisher of GCHP’s member newsletter “Winning Health,” which is published three times per year and distributed to approximately 90,000 unique households.
mPulse Mobil Inc.	Dr. Wharfield	2/1/17 – 1/31/19	\$250,000	Member Text Messaging	mPulse Mobil Inc. is the incumbent provider of text messaging communication to GCHP’s members. GCHP successfully piloted this technology earlier this year. Currently, the Plan is working with the California Health Care Foundation (CHCF) and mPulse on how to jointly leverage the functionality. We anticipate using text messaging as part of our Asthma Disease Management program with objectives to improve our members’ experience with interactive 2-way messaging and education around how to navigate the health care system.

AGENDA ITEM NO. 7

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Steven Lalich, Director of Marketing and Communications

DATE: January 5, 2017

SUBJECT: Contract Approval – Coffey Communications Inc., Custom Publication Services

SUMMARY:

Gold Coast Health Plan (GCHP) initiated a process of identifying and selecting a vendor to provide custom publication services to its membership in May 2011.

BACKGROUND/DISCUSSION:

Coffey Communications Inc. (Coffey) is the incumbent publisher of GCHPs member newsletter “Winning Health,” which is published three times per year and distributed to approximately 90,000 unique households. Coffey has extensive expertise in publishing health care related newsletters and has been GCHP’s publisher of choice since its inception. Coffey has consistently delivered high quality service and has valuable insight into GCHP’s market, making them uniquely qualified to perform and continually meet or exceed service expectations. The Plan is requesting continued use of this service for an additional three year contractual term in order to maintain consistent quality and brand recognition through the distribution of the “Winning Health” member newsletter.

FISCAL IMPACT:

This three year agreement requires a commitment to publish three newsletters per year at a cost of \$53,167 per issue and should not exceed \$478,500 for the term of the contract. These costs are based on production runs of approximately 90,000 copies per issue and include miscellaneous setup fees, postage and material costs. The Plan will contract this as a new Service Order/SOW -- verses an extension or renewal -- under the existing Professional Services Agreement between the parties.

RECOMMENDATION:

It is the Plan’s recommendation to continue service with Coffey Communications Inc. for the design, production and fulfillment of member newsletters for an additional three year period.

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Contracts Exceeding One Hundred Thousand Dollars, (\$100,000)

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SAI Global Inc.	Ralph Oyaga	11/14/11 – 11/13/21 Renewal period is 11/14/16 – 11/13/21	\$172,690, (\$34,538 per year)	Compliance 360 software	Compliance 360 is GCHP's compliance, governance, and risk (GRC) software solution. The Compliance Department has used this solution since the Plan's inception, five years ago, to develop, maintain and monitor complex policy and regulatory requirements as well as affiliated cross-departmental, cross-functional business workflows
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mPulse Mobil Inc.	Dr. Wharfield	2/1/17 – 1/31/19	\$250,000	Member Text Messaging	mPulse Mobil Inc. is the incumbent provider of text messaging communication to GCHP’s members. GCHP successfully piloted this technology earlier this year. Currently, the Plan is working with the California Health Care Foundation (CHCF) and mPulse on how to jointly leverage the functionality. We anticipate using text messaging as part of our Asthma Disease Management program with objectives to improve our members’ experience with interactive 2-way messaging and education around how to navigate the health care system.

AGENDA ITEM NO. 8

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Steven Lalich, Director of Marketing and Communications

DATE: January 5, 2017

SUBJECT: Contract Approval – Coffey Communications Inc., Member Fulfillment/Direct-Mailing Services

SUMMARY:

Gold Coast Health Plan (GCHP) identified and selected Coffey Communications Inc. (Coffey) to provide a variety of member fulfillment/direct-mailing services to its membership in August 2012. These services augmented member fulfillment/direct-mailing services not otherwise covered under its contract with Xerox.

BACKGROUND/DISCUSSION:

Coffey Communications, in direct consultation with GCHP's Communications Department, provides member fulfillment/direct-mailing services targeted to GCHP's membership. They advise and provide the Plan with the best possible postal discount rates available through a variety of mail carriers (e.g., USPS, UPS, FedEx, etc.), assist in the handling and reparation of direct-mail and collateral (e.g., folding, collating, tabbing, inserting, sealing, affixing live stamps, metering, mail merging of letters and envelopes, etc.) and provide graphic art direction, design and printing.

FISCAL IMPACT:

This three year agreement forecasts a spend of approximately \$234,000 with a \$60,000 contingency allotment built-in to cover potential costs associated with the implementation and notification to GCHP members of the Plan's new pharmacy benefit manager (PBM), OptumRx. The total fiscal impact equals \$294,000. Assuming this task is handled by the Plan, the PBM contract with OptumRx contains provisions that will credit back to GCHP all costs associated with the notification.

RECOMMENDATION:

It is the Plan's recommendation to continue service with Coffey Communications Inc. for member fulfillment/direct mailing services for an additional three year period.

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SAI Global Inc.	Ralph Oyaga	11/14/11 – 11/13/21 Renewal period is 11/14/16 – 11/13/21	\$172,690, (\$34,538 per year)	Compliance 360 software	Compliance 360 is GCHP's compliance, governance, and risk (GRC) software solution. The Compliance Department has used this solution since the Plan's inception, five years ago, to develop, maintain and monitor complex policy and regulatory requirements as well as affiliated cross-departmental, cross-functional business workflows
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mPulse Mobil Inc.	Dr. Wharfield	2/1/17 – 1/31/19	\$250,000	Member Text Messaging	mPulse Mobil Inc. is the incumbent provider of text messaging communication to GCHP's members. GCHP successfully piloted this technology earlier this year. Currently, the Plan is working with the California Health Care Foundation (CHCF) and mPulse on how to jointly leverage the functionality. We anticipate using text messaging as part of our Asthma Disease Management program with objectives to improve our members' experience with interactive 2-way messaging and education around how to navigate the health care system.

AGENDA ITEM NO. 9

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Dr. Nancy Wharfield, Associate Chief Medical Director
DATE: January 5, 2017
SUBJECT: Contract Approval – mPulse Mobile Inc.

SUMMARY:

mPulse Mobil Inc. is the incumbent provider of text messaging communication to GCHP's members. As reported at the October 24, 2016 Commission meeting, GCHP engaged with mPulse earlier this year in a bilingual text pilot focused on the areas of diabetes disease management (DM), cervical cancer screening and adult preventive care, with successful results:

- 71% of our members can receive texts.
- Opt-out rates were less than half the industry average (2.9% vs. 5.9%).
- High rate of member satisfaction – 100% of Spanish speakers and 77% of English speakers found the text messages to be useful.
- Texting was more effective than prior disease management outreach efforts (92% of members who called the DM phone line after receiving texts entered into the program).

Use of texting and mobile technology as an effective outreach and engagement tool has dramatically increased in recent years. Examples include appointment reminders, care coordination, maternal and child health (Text4baby), smoking cessation (1-800-NO-BUTTS), and navigation of health care systems (Inland Empire Health Plan).

Building upon the success of the initial text pilot, GCHP is looking to expand the role of texting in outreach efforts to our members. Currently, the Plan is working with the California Health Care Foundation (CHCF) and mPulse on how to jointly leverage the functionality. We anticipate using text messaging as part of our Asthma Disease Management program with objectives to improve our members' experience with interactive 2-way messaging and education around how to navigate the health care system.

FISCAL IMPACT:

The monthly fixed fee is \$8,500. Miscellaneous implementation and set up cost per each campaign will vary and are based on pre-negotiated hourly rates. The 2-year fixed cost is \$204,000, with an additional anticipated \$46,000 for miscellaneous implementation and set up

fees, for a total 2-year projected contract cost of \$250,000. The 2-year term will be from February 1, 2017 until January 31, 2019.

RECOMMENDATION:

It is the Plan's recommendation to initiate a two year agreement with mPulse Mobile Inc. for mobile text messaging services.

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AGENDA ITEM NO. 10

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Brandy Armenta, Compliance Officer/Director

DATE: January 5, 2017

SUBJECT: Managed Care Final Rule

On April 21, 2016, the Centers for Medicare and Medicaid Services (CMS) issued final regulations that revise and enhance existing Medicaid managed care rules. The revised language is the first major change to the Medicaid managed care program in over a decade. The implementation of the final rule will be phased in over a three (3) year period. Per Health and Human Services (HHS), the final rule has four key goals:

- (1) Supporting states' efforts to advance delivery system reform and improvements in quality of care for Medicaid and CHIP beneficiaries;
- (2) Strengthening the consumer experience of care and key consumer protections;
- (3) Strengthening program integrity by improving accountability and transparency; and
- (4) Aligning rules across health insurance coverage programs to improve efficiency and help consumers who are transitioning between sources of coverage.

Below is a list of highlights from the Managed Care Rule, *this list is not intended to be all inclusive*:

Beneficiary Support and Information: Requires managed care plans to have provider directories and drug formularies on Plans website. The rule expands on the dissemination of information and allows Medicaid plans to use various methods to communicate which includes: mail, email and website posting to ensure beneficiaries receive information timely and upon request with no cost to the beneficiary. Ensures information is accessible and available to beneficiaries with limited English proficiency by providing beneficiaries information in each state's prevalent languages. The rule also includes oral interpretation services and/or written translations are available if requested.

Improving Quality of Care: Improve transparency of managed care quality and require states to post on their websites the following information relative to managed care plans: managed care plan accreditation status, state managed care quality strategies and the annual results from external quality reviews. The rule includes the development of a Medicaid managed care quality rating system. This would be consistent with what is available to beneficiaries in other markets.

Network adequacy and access to care: The final rule requires states to establish network adequacy standards for key providers while still allowing states the flexibility to take local and geographic conditions into consideration. Managed care plans will have to certify the adequacy of the network on an annual basis and when a substantial change occurs in the program, (i.e. new population rolled into managed care or new benefits).

Appeals: Requires beneficiaries to utilize the managed care plan appeal process prior to filing a state fairing. This requirement aligns and is consistent with other products.

Encounter Data Submission: The rule requires that all managed care plans contracts require complete, timely and accurate encounter data submissions to the state in the format required by CMS.

Medical loss ratio (MLR) standard: Requirement for Medicaid and CHIP plans to calculate and report an MLR. This promotes alignment with other programs and ensures capitation rates are actuarially sounds. The rates must be developed so Plans can be expected to achieve at least an 85 percent MLR and that MLR reports for prior years are taken into account.

Program Integrity: The final rule requires all providers win the managed care environment be screened and enrolled with the state Medicaid program. It does not require the providers to accept Fee for Service (FFS).

As a result of the Managed Care Final Rule, the Department of Health Care Services (DHCS) sent managed care health plans who have a Medi-Cal contract, a draft contract amendment which incorporates the final rule. The draft is a significant contract amendment that will require plans including Gold Coast Health Plan (GCHP) to: update policies and procedures, submit additional deliverables based on the provisions to DHCS and additional reporting. Compliance staff will continue to keep the commission apprised of the implementation of the final rule.



AGENDA ITEM NO. 11

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Ralph Oyaga, Executive Director of Governmental, Regulatory, and External Relations

DATE: January 5, 2017

SUBJECT: Alternative Resources for Community Health (ARCH) Program Overview

VERBAL PRESENTATION