

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

**DATE:** Monday, June 25, 2012  
**TIME:** 3:00 p.m.  
**PLACE:** 2240 E. Gonzales Road, Suite 200, Oxnard, CA 93036

**AGENDA**

**Call to Order and Welcome**

**Pledge of Allegiance**

**Roll Call**

**Public Comment / Correspondence**

1. **Approve Minutes** N / A
  
2. **Appointment of Dr. Chawla to the Finance and Executive Committee** Action
  
3. **CEO Monthly report** *For Information*  
*Written report*  
*Website demo*
  
4. **Accept and File Financial Report** *Action Required*
  - a. May Financials
  
5. **Executive Finance Committee Report** *Action*  
*Auto Assignment Policy* *Information*  
*Budget Review Committee* *Action*  
*Time of Executive/ Finance Committee*
  
6. **Discussion of Agency governance & management, committee structure, yearly agenda, strategic planning**

## **7. Closed Session**

- A. Public Employment pursuant to Government Code section 54957  
Title: Permanent Chief Executive Officer & Chief Financial Officer.  
Continuation of CEO interview and further discussion.
- B. Conference with Labor Negotiator pursuant to Government Code section 54957.6  
Agency designated representative: Nordman Cormany Hair & Compton LLP,  
Nancy Kierstyn Schreiner. Unrepresented employees: permanent CEO and CFO
- C. Conference with Legal Counsel-Anticipated Litigation pursuant to Government  
Code section 54956.9-(6 cases)

### **Return to Open Meeting**

Announcements from Closed Session, if any.

### **Comments from Commissioners**

### **Adjournment**

Unless otherwise determined by the Commission, the next regular meeting of the Commission will be held on July 23, 2012 at 3:00 p.m. at 2240 E. Gonzales Road, Suite 200, Oxnard CA 93036

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

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ADMINISTRATIVE REPORTS RELATING TO THIS AGENDA AND MATERIALS RELATED TO AN AGENDA ITEM SUBMITTED TO THE COMMISSION AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC REVIEW DURING NORMAL BUSINESS HOURS AT THE OFFICE OF THE CLERK OF THE BOARD, 2220 E. GONZALES ROAD, SUITE 200, OXNARD, CA.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT 805/981-5320. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING

## DRAFT

### Chief Executive's Monthly Report to Commission

June 25, 2012

#### Accomplishments

**New and improved website implemented June 18!!**

Check it out: [www.goldcoasthealthplan.org](http://www.goldcoasthealthplan.org)

**Care management system implemented today!!**

Fully integrated with claims system. Training completed.

**Milliman decision support product implemented.**

Training and validation begins next week.

**Tatum Information Technology Assessment completed.**

Some of the changes as a result of assessment have already been made.

**Health Services Assessment completed.**

Changes as a result of assessment are being evaluated and implemented with Health Services restructure.

#### California Department of Health Care Services (DHCS)

- GCHP continues under a required monitoring status with the State. While the requirements are significantly reduced from the former status, the issue of claims payment has not been resolved to their satisfaction. We concur that due to the startup status of the plan it is difficult to estimate our claims liability.
- We have received the Member Rights Review Report from the State audit March 5 and 6 of this year. We will be presenting the report to the Compliance Committee. There were 5 findings in the Grievance and Appeals area, 3 in the Prior authorization notification and 1 relates to qualified interpretation services. The key purpose of the review was to provide GCHP with technical assistance to meet its member rights/program integrity contractual requirement.

#### Personnel

Additions:

- Monica Hernandez, Clinical Operations Assistant
- Gabrielle Camacho, Clinical Operations Assistant
- Carol Childs, RN (ACS)
- Robyn Hudson, Credentialing Specialist, Temp
-

Departures:

- Charlene Duan

Recruitments:

- Quality Improvement Project Manager
- Director of Operations/COO
- Director of Health Services
- Claims Recovery Specialist
- Nurse – Health Services Manager
- Provider Contracting Manager
- Vendor Contract Manager
- Provider Relations Representative
- Provider Relations Support

**Office Space**

We have been able to secure an additional 1,600 square feet from the County which will allow us to remain here for a bit longer. This will bring our total space to around 8,000 square feet. Our longer term projected needs are around 20,000.

**Community Outreach & Education**

The responsibility for community outreach has been moved to the Director of Government Affairs and Communications. We will be developing a bilingual communications and an outreach strategy. The workplan includes Health Education, Outreach and Communications with a focus on improving our engagement with the community.

The Consumer Advisory Council will be included as well as others in the community as our plans are being developed.

Provider Relations and the Health Educator met with 31 provider representatives on how to access an interpreter.

Provider Relations have conducted 24 face- to- face provider visits.

Oxnard Family Circle, May 24  
Health Fair, West Ventura, June 2  
VCHCA Baby Steps Program, June 12  
VCMC Pediatric in-service, June 19  
Ventanilla de Salud Program, June 20  
Elderly Awareness Month Celebration, June 21

See attached Memo from the Government Affairs and Communications Dept.

## **Government Relations**

### **Healthy Families Program (HFP) Transition:**

The newest headline represents a significant change for the COHS as this population will go to Medi-Cal as opposed to DHCS. Kaiser Health News, 6/22/2012 reported:

“Among a series of budget cuts to help California Gov. Jerry Brown close that state's budget deficit is a cut to a health care program for 880,000 low-income kids, who will be shifted to Medi-Cal after the state, shuts its "Healthy Families" program.”

GCHP and the other COHS will have had a conversation this morning with Toby Douglas. I will comment on the meeting at the Commission meeting.

### **State Budget Update**

The Legislature met its constitutional budget deadline and approved a state budget of \$92.1 billion on June 15<sup>th</sup>. With California's fiscal year beginning on July 1<sup>st</sup>, Governor Brown has until June 27<sup>th</sup> to sign or veto the budget bill. It is expected that the Governor will approve a budget by the July 1<sup>st</sup> fiscal deadline. Some Medi-Cal related budget highlights include:

- Non-Designated Public Hospitals (NDPH) will no longer receive payment from the state General Fund. Instead NDPHs will certify the cost of providing inpatient services to fee-for-service Medi-Cal beneficiaries in order to receive as reimbursement the federal share of those expenditures.
- Extend the Rogers Amendment sunset date from January 1, 2013, to July 1, 2013, for capitation rates (known as Rogers Rates) paid to non-contract hospitals for emergency inpatient and post-stabilization services provided to Medi-Cal managed care plan enrollees.
- Authorize DHCS to contract with managed care plans for the delivery of Medi-Cal services in 28 counties that are currently fee-for-services only in Medi-Cal. Plans must be in good financial standing and meet licensure requirements under the Knox-Keene Health Care Service Plan Act.
- Suspend the annual Cost of Living Adjustment to counties for conducting Medi-Cal eligibility functions.

## **Community Based Adult Services Program (CBAS) implementation in Medi-Cal Managed Care**

On October 1, 2012, Gold Coast Health Plan (GCHP) will transition approximately 1,000 GCHP members from the former Adult Day Health Care Program to the Community Based Adult Services Program (CBAS).

GCHP will be responsible for providing enhanced case management services for 58 GCHP members who were deemed ineligible for the CBAS Program. There are a total of five CBAS Centers that have been approved and certified by the State of California Department of Health Care Services to contract with GCHP.

The State has not provided Plans a CBAS rate. The Department of Health Care Services (DHCS) is developing a rate based on an average facility utilization cost per CBAS member. Ultimately the state's proposed rates are subject to CMS approval. Approval from CMS is not expected until September 2012.

Plans will be required to submit a roster of members utilizing CBAS services on a monthly basis, with payment based on a prospective system and not based on actuarial historical utilization in arrears. State payment to plans will be monthly and county-specific.

### **Health Education, Cultural & Linguistic Services**

GCHP Cultural and Linguistic Committee met June 11 and with input from the Consumer Advisory Council, improved the language used for the deaf and/or hard of hearing. There was also training for the Call Center staff on Cultural & Linguistic and training for GCHP staff.

We have developed a process to focus the information in the member newsletter and website on local health education issues.

We participated in the statewide Health Education, Cultural and Linguistic Workgroup. The following items were discussed; Staying Health Assessment (SHA) tool and resource guide, Medicaid Tobacco Incentives Grant, Cultural and Linguistic Policy Letters, and Member Incentive Policy Addendum.  
Health Services

### **Health Services**

The significant focus of this group for the past month has been in the training and implementation of our Care Management system that will integrate with the claims payment system. We are very excited about the potential improvements in the care management process with this new system integration. .

The Milliman Decision Support System implementation is almost complete. The Health Services Director has been involved in the requirements documentation for reporting requirements. The ability to evaluate the utilization and cost of our services will be instrumental in the continued development of our medical management strategy.

## **Claims**

GCHP participated in the CAHIO (annual?) meeting held at the Cen-Cal offices. These meetings provide an excellent forum for sharing issues, processes, etc. with other COHS.

Tatum is evaluating/mapping the business processes of GCHP claims and refund processes, as well as a review of the job descriptions in an effort to improve operational efficiencies

### **Claim Statistics:**

Average claim receipts per week	21,151
Average weekly production	16,570
Inventory as of June 20 <sup>th</sup> (includes 5,168 processed claims that will be "paid" Tuesday)	56,848
Days inventory on hand	14
Auto adjudication rate	33.45%

The inventory has increased over the prior month by 5 days (17,000 claims).

## **Member Services**

Work continues with the website design vendor on a member newsletter to be mailed in mid-August. The member newsletter will have a back to school focus.

Call Center Statistics are as follows:

	Calls Received	Calls Handled	Calls Abandoned	Abandonment Percent	Avg Speed to Answer	Avg Talk Time	Avg Hold Time	
English Member Calls	2,869	2,837	32	1.12%	0.27	4.41	0.50	
Spanish Member Calls	1,172	1,151	21	1.79%	0.45	5.62	0.78	
Provider Calls	4,358	4,270	85	1.95%	0.57	4.80	0.52	
Month Totals/Average	8,399	8,221	138	1.64%	0.45	4.78	0.55	

Although the call volume was similar to the prior month, there was an increase in the number of calls abandoned and hold time.

**Provider Contracting**

Contract renewal is underway. In an effort to re-contract in alignment with our future strategy, we are requesting 90 day extension on hospital contracts. We are developing a longer term strategy.

**Information Technology**

We are evaluating our staffing requirements in light of the Tatum IT Assessment and the recent departure of the IT Manager. We are also developing decision support capabilities in house.

**Consumer Advisory Council**

The Consumer Advisory Council was given a preview of the new website at the June 6 meeting. There were several suggestions made that will be addressed by the GCHP staff.

**Provider Advisory Group**

No change, we still need an appointment of a new member.

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Respectfully submitted,

Cassie Undlin  
Interim Chief Executive Officer



**GOLD COAST HEALTH PLAN**  
**SUMMARY FINANCIAL RESULTS**  
**Eleven Months & Year-to-Date**

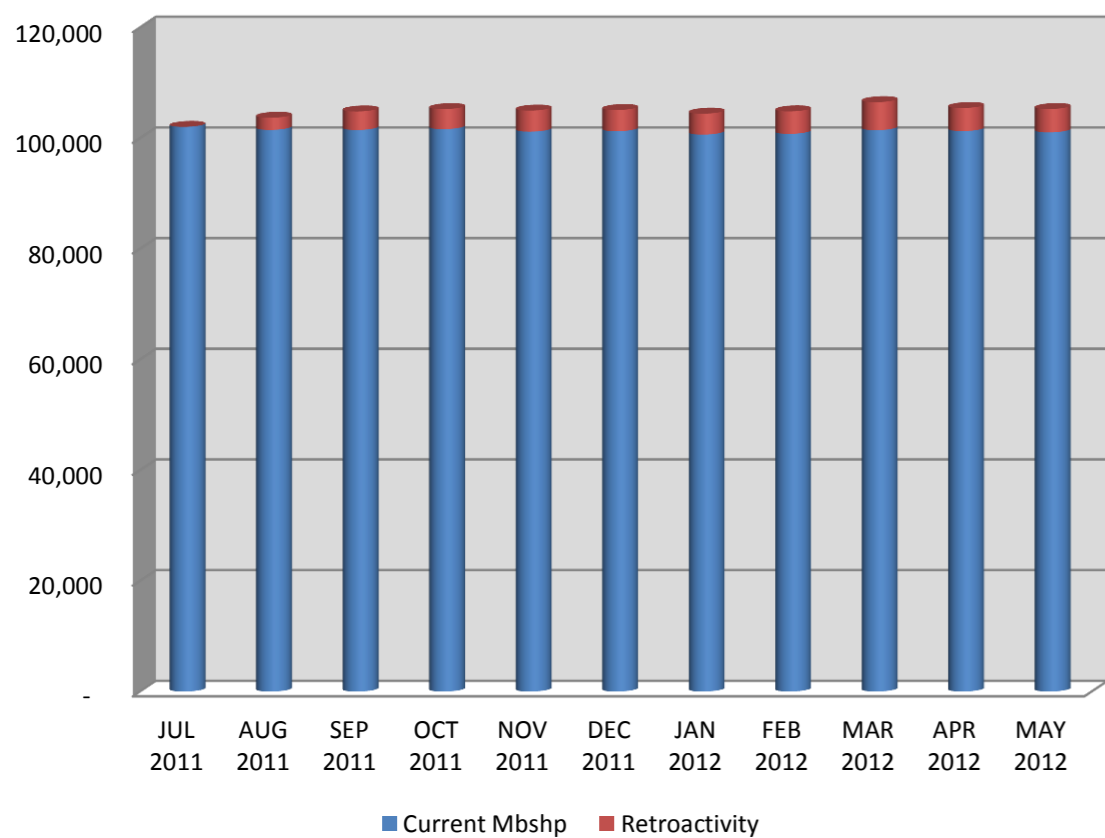
	Ventura County Medi-Cal Monthly Results											
	JUL 11	AUG 11	SEP 11	OCT 11	NOV 11	DEC 11	JAN 12	FEB 12	MAR 12	APR 12	MAY 12	YTD
Member Months	102,033	103,689	104,821	105,245	104,979	105,079	104,418	104,839	106,503	105,446	105,262	1,152,314
<b>Revenue</b>	<b>24,678,298</b>	<b>25,035,423</b>	<b>23,740,361</b>	<b>25,199,998</b>	<b>24,946,694</b>	<b>25,440,875</b>	<b>24,990,447</b>	<b>24,231,927</b>	<b>25,411,162</b>	<b>25,427,262</b>	<b>25,299,965</b>	<b>274,402,411</b>
<i>pppm</i>	241.87	241.45	226.48	239.44	237.64	242.11	239.33	231.13	238.60	241.14	240.35	238.13
<b>Health Care Costs</b>	<b>20,722,297</b>	<b>21,245,838</b>	<b>21,839,899</b>	<b>22,065,987</b>	<b>22,003,480</b>	<b>22,415,249</b>	<b>22,121,202</b>	<b>26,111,143</b>	<b>23,045,202</b>	<b>22,918,149</b>	<b>24,107,687</b>	<b>248,596,134</b>
<i>pppm</i>	203.09	204.90	208.35	209.66	209.60	213.32	211.85	249.06	216.38	217.34	229.03	215.74
% of Revenue	84.0%	84.9%	92.0%	87.6%	88.2%	88.1%	88.5%	107.8% <sup>(1)</sup>	90.7%	90.1%	95.3% <sup>(2)</sup>	90.6%
<b>Admin Exp</b>	<b>1,341,729</b>	<b>1,354,008</b>	<b>1,413,721</b>	<b>1,672,837</b>	<b>1,084,862</b>	<b>1,440,127</b>	<b>1,529,225</b>	<b>1,516,129</b>	<b>1,615,365</b>	<b>1,615,365</b>	<b>1,883,097</b>	<b>16,466,466</b>
<i>pppm</i>	13.15	13.06	13.49	15.89	10.33	13.71	14.65	14.46	15.17	15.32	17.89	14.29
% of Revenue	5.4%	5.4%	6.0%	6.6%	4.3%	5.7%	6.1%	6.3%	6.4%	6.4%	7.4%	6.0%
<b>Net Income</b>	<b>2,614,273</b>	<b>2,435,577</b>	<b>486,741</b>	<b>1,461,174</b>	<b>1,858,351</b>	<b>1,585,499</b>	<b>1,340,019</b>	<b>(3,395,346)</b>	<b>750,595</b>	<b>679,482</b>	<b>(690,820)</b>	<b>9,125,546</b>
<i>pppm</i>	25.62	23.49	4.64	13.88	17.70	15.09	12.83	(32.39)	7.05	6.44	(6.56)	7.92
% of Revenue	10.6%	9.7%	2.1%	5.8%	7.4%	6.2%	5.4%	-14.0%	3.0%	2.7%	-2.7%	3.3%
100% TNE	14,242,618	14,455,522	14,671,236	14,837,677	14,925,890	15,048,230	15,101,073	15,615,661	15,685,187	15,730,358	15,793,552	
Required TNE	-	-	-	-	-	-	3,020,215	3,123,132	3,137,037	3,146,072	3,158,710	
<b>GCHP TNE</b>	<b>(1,808,546)</b>	<b>627,031</b>	<b>1,113,773</b>	<b>2,574,946</b>	<b>4,433,298</b>	<b>6,018,797</b>	<b>7,358,815</b>	<b>3,963,469</b>	<b>4,714,065</b>	<b>5,393,547</b>	<b>4,702,727</b>	

Note (1): February Health Care Costs include \$4M added to reserves pursuant to updated Milliman IBNR methodology.

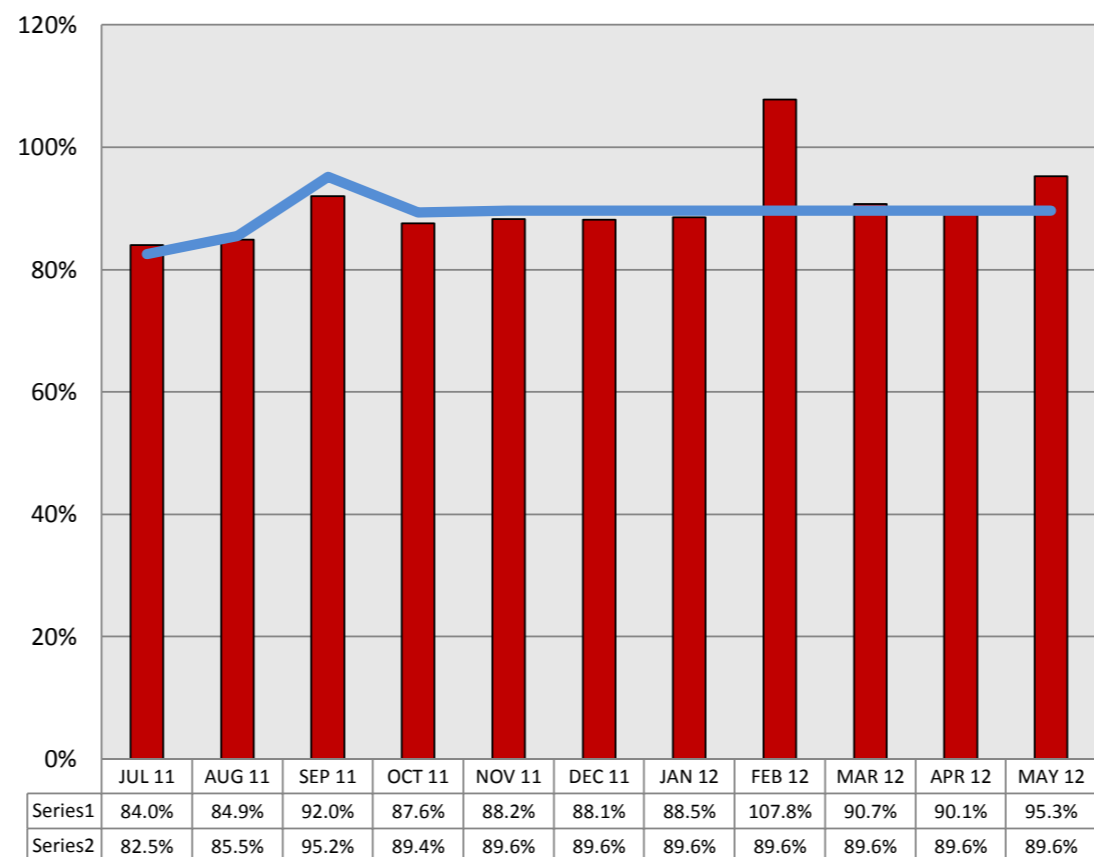
Note (2): May Health Care Costs include \$3M added to reserves.

GOLD COAST HEALTH PLAN  
Financial Scorecard - May 2012

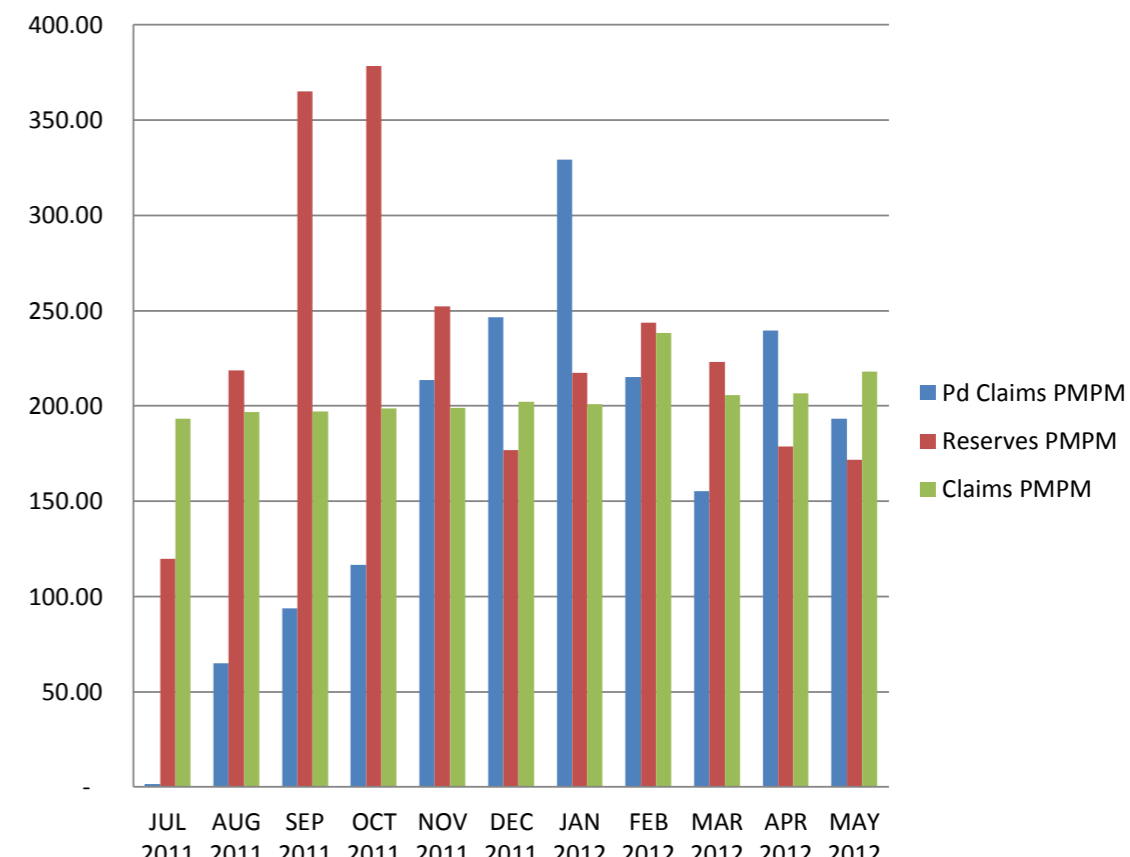
Membership



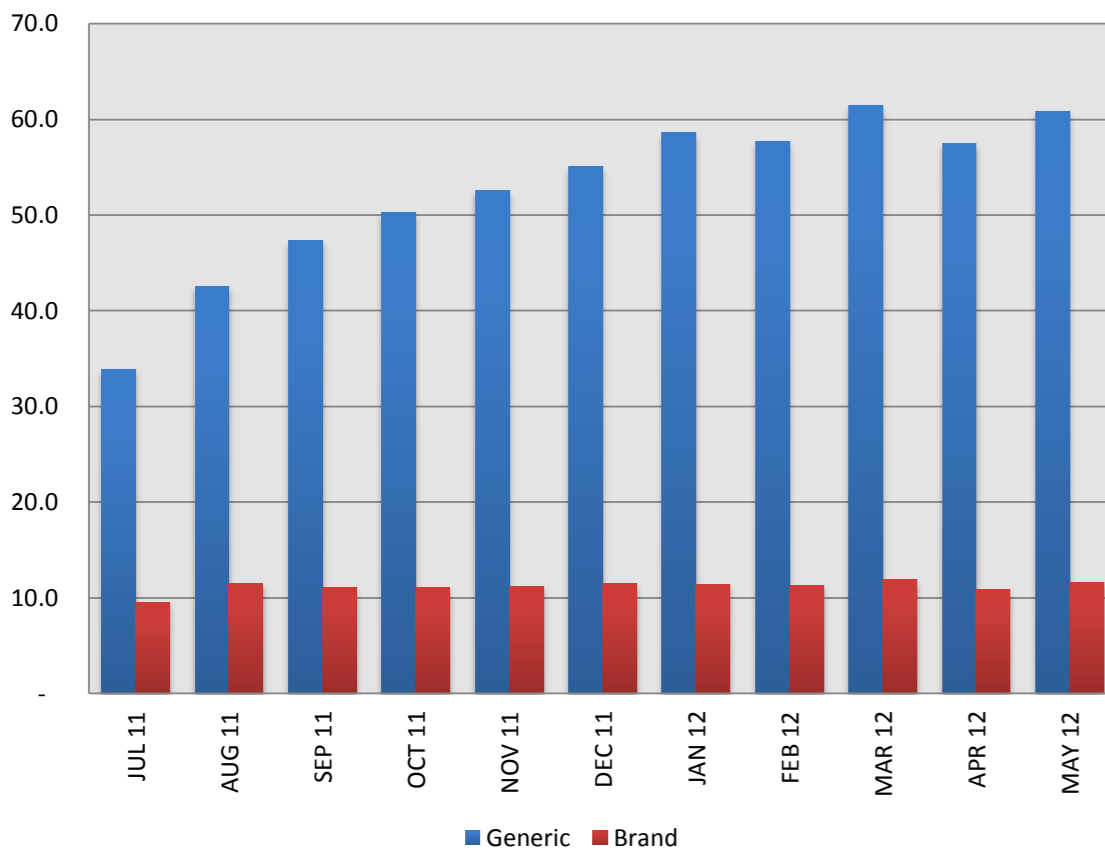
Health Care Cost (MLR)



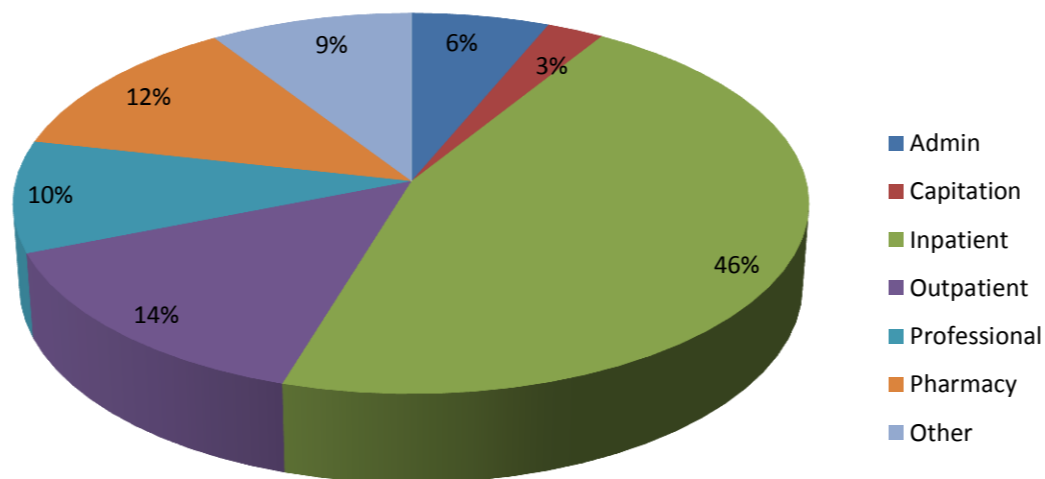
Claims - Reserves



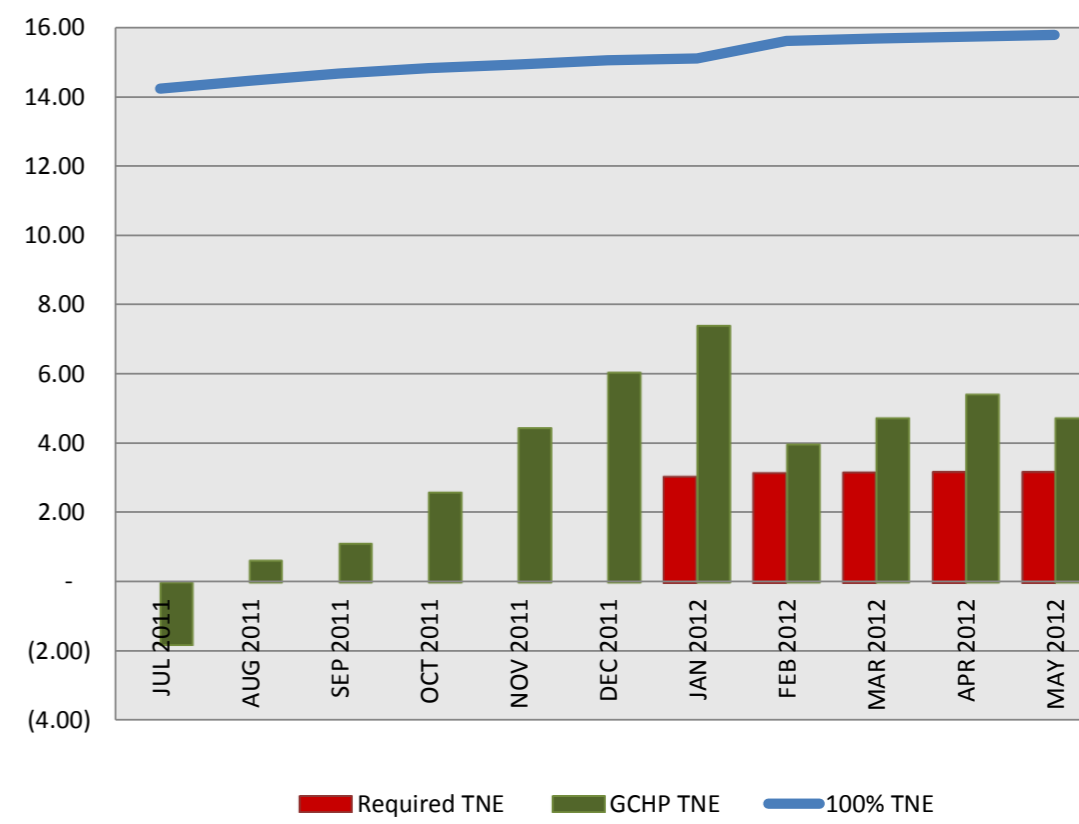
Pharmacy Encounters (Count in 000s)



Expenditures May YTD



TNE (millions)



**Gold Coast Health Plan  
Comparative Balance Sheet  
May 31, 2012**

	<u>5/31/12</u>	<u>4/30/12</u>	<u>6/30/11</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Total Cash and Cash Equivalents</b>	<b>53,163,827</b>	<b>50,798,092</b>	<b>660,697</b>
Medi-Cal Receivable	1,952,228	1,872,926	-
Provider Receivable	2,085,491	362,537	-
Other Receivables	37,960	36,187	9,155
<b>Total Accounts Receivable</b>	<b>4,075,679</b>	<b>2,271,650</b>	<b>9,155</b>
Total Prepaid Accounts	189,202	201,778	40,127
Total Other Current Assets	757,500	757,500	-
<b>Total Current Assets</b>	<b>58,186,208</b>	<b>54,029,020</b>	<b>709,979</b>
<b>Total Fixed Assets</b>	<b>95,759</b>	<b>93,417</b>	<b>87,638</b>
<b>Total Assets</b>	<b><u>58,281,967</u></b>	<b><u>54,122,437</u></b>	<b><u>797,617</u></b>
<b>LIABILITIES &amp; FUND BALANCE</b>			
<b>Current Liabilities</b>			
Incurred But Not Reported	18,070,222	18,854,780	-
Claims Payable	21,955,415	18,577,451	-
Capitation Payable	634,809	631,706	-
Accrued Premium Reduction	6,134,632	5,569,642	-
Accounts Payable	380,830	321,083	47,377
Accrued Expenses	-	-	201,553
Accrued ACS	1,585,903	555,905	1,329,863
Accrued RGS	496,574	438,619	1,301,643
Accrued Premium Tax	1,859,189	1,238,037	-
Current Portion of Deferred Revenue	460,000	460,000	-
Current Portion Of Long Term Debt	500,000	500,000	500,000
<b>Total Current Liabilities</b>	<b>52,077,573</b>	<b>47,147,224</b>	<b>3,380,436</b>
<b>Long-Term Liabilities</b>			
Other Long-term Liability	83,333	125,000	-
Deferred Revenue - Long Term Portion	1,418,333	1,456,667	1,840,000
<b>Total Long-Term Liabilities</b>	<b>1,501,667</b>	<b>1,581,667</b>	<b>1,840,000</b>
<b>Total Liabilities</b>	<b>53,579,240</b>	<b>48,728,891</b>	<b>5,220,436</b>
Beginning Fund Balance	(4,422,819)	(4,422,819)	-
Net Income Current Year	9,125,546	9,816,366	(4,422,819)
<b>Total Fund Balance</b>	<b>4,702,727</b>	<b>5,393,547</b>	<b>(4,422,819)</b>
<b>Total Liabilities &amp; Fund Balance</b>	<b><u>58,281,967</u></b>	<b><u>54,122,437</u></b>	<b><u>797,617</u></b>

**Gold Coast Health Plan  
Income Statement  
Period Ended May 31, 2012**

	<u>MAR 2012</u>	<u>APR 2012</u>	<u>MAY 2012</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	101,439	101,272	101,041	101,797	(756)
<b>Revenues</b>					
Premium	26,551,649	26,558,134	26,432,002	24,762,496	1,669,506
Reserve for Retro-Active Rate Reduction	(561,704)	(563,998)	(564,990)	-	(564,990)
Interest Income	13,833	18,908	15,771	14,857	914
Miscellaneous Income	38,333	38,333	38,333	38,333	0
<b>Total Revenues</b>	<b>26,042,112</b>	<b>26,051,378</b>	<b>25,921,117</b>	<b>24,815,686</b>	<b>1,105,431</b>
MCO Tax	630,949	624,116	621,152	569,537	(51,615)
<b>Net Revenue</b>	<b>25,411,162</b>	<b>25,427,262</b>	<b>25,299,965</b>	<b>24,246,149</b>	<b>1,053,816</b>
<b>Cost of Health Care</b>					
<u>Capitation</u>	631,179	631,706	634,809	736,149	101,340
<u>Claims</u>					
Inpatient FFS Expense	4,461,281	4,414,111	5,050,059	3,718,643	(1,331,416)
LTC/SNF Expense	6,530,526	6,540,243	7,675,933	6,852,972	(822,961)
Outpatient FFS Expense	2,687,937	2,659,531	3,049,193	2,181,509	(867,684)
Laboratory and Radiology Expense	227,068	224,241	255,670	233,115	(22,555)
Emergency Room Facility Services FFS	522,102	516,532	595,058	406,170	(188,888)
Physician Specialty Services FFS	2,038,710	2,014,947	2,300,063	1,951,448	(348,615)
Professional FFS Expense	-	-	-	-	-
Other Medical Professional	285,034	281,320	312,135	203,594	(108,541)
Pharmacy	3,257,618	3,244,925	3,292,480	3,562,894	270,414
Reinsurance	91,244	92,309	92,158	92,635	477
Claims Recoveries	-	-	(1,719,551)	-	1,719,551
Other Medical Care Expenses	916	-	-	-	-
Other Fee For Service Expense	1,510,761	1,496,864	1,706,929	1,486,236	(220,693)
Transportation FFS	293,805	290,339	333,734	297,247	(36,487)
Medical & Care Management	507,022	511,080	529,018	561,132	32,114
<u>Total Claims</u>	<u>22,414,023</u>	<u>22,286,444</u>	<u>23,472,879</u>	<u>21,547,595</u>	<u>(1,925,284)</u>
<b>Total Cost of Health Care</b>	<b>23,045,202</b>	<b>22,918,149</b>	<b>24,107,687</b>	<b>22,283,744</b>	<b>(1,823,943)</b>
<b>Administrative Expenses</b>					
Salaries and Wages	207,163	239,560	301,593	353,053	51,460
Payroll Taxes and Benefits	110,151	83,567	88,190	121,938	33,748
Total Travel and Training	4,932	2,856	2,005	10,185	8,180
Outside Service - ACS	1,084,489	940,274	956,991	940,676	(16,315)
Outside Service - CQS	-	625	-	-	-
Outside Service - RGS	9,314	9,056	9,732	13,033	3,301
Outside Services - Other	73,973	266,888	289,582	29,887	(259,695)
Accounting & Actuarial Services	0	52,750	28,495	5,000	(23,495)
Legal Expense	418	33,002	2,350	3,000	650
Insurance	2,959	2,959	2,959	2,959	0
Lease Expense -Office	13,469	10,269	11,869	26,080	14,211
Consulting Services Expense	56,675	44,007	69,350	4,100	(65,250)
Translation Services	1,106	550	1,051	1,397	346
Advertising and Promotion Expense	1,484	8,384	9,466	496	(8,970)
General Office Expenses	28,463	112,799	61,719	86,089	24,370
Depreciation & Amortization Expense	1,461	1,461	1,461	1,461	0
Printing Expense	1,353	1,995	2,977	37,250	34,273
Shipping & Postage Expense	412	1,868	2,467	21,350	18,883
Interest Exp	17,543	16,761	40,841	-	(40,841)
<b>Total Administrative Expenses</b>	<b>1,615,365</b>	<b>1,829,630</b>	<b>1,883,097</b>	<b>1,657,954</b>	<b>(225,143)</b>
<b>Net Income / (Loss)</b>	<b>750,595</b>	<b>679,482</b>	<b>(690,820)</b>	<b>304,451</b>	<b>(995,271)</b>

**Gold Coast Health Plan  
Income Statement  
Period Ended May 31, 2012**

	<u>YTD</u>	<u>% of Rev</u>	<u>Budget</u>	<u>Variance Fav/(Unfav)</u>
<b>Members (Member/Months)</b>	1,114,182		1,118,654	(4,472)
<b>Revenues</b>				
Premium	286,699,732	101.98%	272,877,586	13,822,146
Reserve for Retro-Active Rate Reduction	(6,134,632)	-2.18%	(1,658,225)	(4,476,407)
Interest Income	153,088	0.05%	135,823	17,265
Miscellaneous Income	421,667	0.15%	421,663	4
<b>Total Revenues</b>	<b>281,139,855</b>	<b>100.00%</b>	<b>271,776,847</b>	<b>9,363,008</b>
MCO Tax	6,737,444	2.40%	6,275,218	462,226
<b>Net Revenue</b>	<b>274,402,411</b>	<b>97.60%</b>	<b>265,501,629</b>	<b>8,900,782</b>
<b>Cost of Health Care</b>				
<u>Capitation</u>	6,901,586	2.45%	7,719,722	818,136
<u>Claims</u>				
Inpatient FFS Expense	49,235,316	17.51%	41,029,217	(8,206,099)
LTC/SNF Expense	72,218,221	25.69%	75,619,782	3,401,561
Outpatient FFS Expense	29,711,249	10.57%	24,728,167	(4,983,082)
Laboratory and Radiology Expense	2,506,037	0.89%	2,476,397	(29,640)
Emergency Room Facility Services FFS	5,782,386	2.06%	5,264,164	(518,222)
Physician Specialty Services FFS	22,499,556	8.00%	21,560,058	(939,498)
Professional FFS Expense	121	0.00%	-	(121)
Other Medical Professional	2,603,554	0.93%	2,239,398	(364,156)
Pharmacy	32,692,203	11.63%	36,203,532	3,511,329
Reinsurance	1,016,637	0.36%	1,017,975	1,338
Claims Recoveries	(1,719,551)	-0.61%	-	1,719,551
Other Medical Care Expenses	916	0.00%	-	(916)
Other Fee For Service Expense	16,676,163	5.93%	15,324,918	(1,351,245)
Transportation FFS	3,254,472	1.16%	3,137,803	(116,669)
Medical & Care Management	5,217,269	1.86%	5,544,250	326,981
<u>Total Claims</u>	<u>241,694,548</u>	<u>85.97%</u>	<u>234,145,661</u>	<u>(7,548,887)</u>
<b>Total Cost of Health Care</b>	<b>248,596,134</b>	<b>88.42%</b>	<b>241,865,383</b>	<b>(6,730,751)</b>
<b>Administrative Expenses</b>				
Salaries and Wages	2,673,388	0.95%	3,102,998	429,610
Payroll Taxes and Benefits	954,285	0.34%	1,071,862	117,577
Total Travel and Training	42,260	0.02%	98,674	56,414
Outside Service - ACS	10,562,378	3.76%	10,314,180	(248,198)
Outside Service - CQS	625	0.00%	50,956	50,331
Outside Service - RGS	102,896	0.04%	119,811	16,915
Outside Services - Other	724,765	0.26%	191,316	(533,449)
Accounting & Actuarial Services	110,498	0.04%	133,445	22,947
Legal Expense	68,111	0.02%	41,667	(26,444)
Insurance	35,007	0.01%	35,011	4
Lease Expense -Office	138,805	0.05%	208,640	69,835
Consulting Services Expense	184,221	0.07%	48,330	(135,891)
Translation Services	7,786	0.00%	12,651	4,865
Advertising and Promotion Expense	188,729	0.07%	233,228	44,499
General Office Expenses	476,183	0.17%	530,396	54,213
Depreciation & Amortization Expense	16,412	0.01%	16,071	(341)
Printing Expense	25,043	0.01%	226,964	201,921
Shipping & Postage Expense	19,229	0.01%	89,224	69,995
Interest Exp	350,109	0.12%	5,175	(344,934)
<b>Total Administrative Expenses</b>	<b>16,680,731</b>	<b>5.93%</b>	<b>16,530,599</b>	<b>(150,132)</b>
<b>Net Income / (Loss)</b>	<b>9,125,546</b>	<b>3.25%</b>	<b>7,105,647</b>	<b>2,019,899</b>

**Gold Coast Health Plan  
Income Statement PMPM  
Period Ended May 31, 2012**

	<u>MAR 2012</u>	<u>APR 2012</u>	<u>MAY 2012</u>	<u>Budget</u>	<u>Variance</u> Fav/(Unfav)
<b>Members (Member/Months)</b>	101,439	101,272	101,041	101,797	(756)
<b>Revenues</b>					
Premium	261.75	262.85	261.60	243.25	18.34
Reserve for Retro-Active Rate Reduction	(5.54)	(5.58)	(5.59)	-	(5.59)
Interest Income	0.14	0.19	0.16	0.15	0.01
Miscellaneous Income	0.38	0.38	0.38	0.38	0.00
<b>Total Revenues</b>	<b>256.73</b>	<b>257.83</b>	<b>256.54</b>	<b>243.78</b>	<b>12.76</b>
MCO Tax	6.22	6.16	6.15	5.59	(0.55)
<b>Net Revenue</b>	<b>250.51</b>	<b>251.65</b>	<b>250.39</b>	<b>238.18</b>	<b>12.21</b>
<b>Cost of Health Care</b>					
<u>Capitation</u>	6.22	6.25	6.28	7.23	0.95
<u>Claims</u>					
Inpatient FFS Expense	43.98	43.69	49.98	36.53	(13.45)
LTC/SNF Expense	64.38	64.73	75.97	67.32	(8.65)
Outpatient FFS Expense	26.50	26.32	30.18	21.43	(8.75)
Laboratory and Radiology Expense	2.24	2.22	2.53	2.29	(0.24)
Emergency Room Facility Services FFS	5.15	5.11	5.89	3.99	(1.90)
Physician Specialty Services FFS	20.10	19.94	22.76	19.17	(3.59)
Other Medical Professional	2.81	2.78	3.09	2.00	(1.09)
Pharmacy	32.11	32.11	32.59	35.00	2.41
Reinsurance	0.90	0.91	0.91	0.91	(0.00)
Claims Recoveries	-	-	(17.02)	-	17.02
Other Medical Care Expenses	0.01	-	-	-	-
Other Fee For Service Expense	14.89	14.81	16.89	14.60	(2.29)
Transportation FFS	2.90	2.87	3.30	2.92	(0.38)
Medical & Care Management	5.00	5.06	5.24	5.51	0.28
<u>Total Claims</u>	<u>220.96</u>	<u>220.57</u>	<u>232.31</u>	<u>211.67</u>	<u>(20.64)</u>
<b>Total Cost of Health Care</b>	<b>227.18</b>	<b>226.82</b>	<b>238.59</b>	<b>218.90</b>	<b>(19.69)</b>
<b>Administrative Expenses</b>					
Salaries and Wages	2.04	2.37	2.98	3.47	0.48
Payroll Taxes and Benefits	1.09	0.83	0.87	1.20	0.33
Total Travel and Training	0.05	0.03	0.02	0.10	0.08
Outside Service - ACS	10.69	9.31	9.47	9.24	(0.23)
Outside Service - CQS	-	0.01	-	-	-
Outside Service - RGS	0.09	0.09	0.10	0.13	0.03
Outside Services - Other	0.73	2.64	2.87	0.29	(2.57)
Accounting & Actuarial Services	-	0.52	0.28	0.05	(0.23)
Legal Expense	0.00	0.33	0.02	0.03	0.01
Insurance	0.03	0.03	0.03	0.03	(0.00)
Lease Expense -Office	0.13	0.10	0.12	0.26	0.14
Consulting Services Expense	0.56	0.44	0.69	0.04	(0.65)
Translation Services	0.01	0.01	0.01	0.01	0.00
Advertising and Promotion Expense	0.01	0.08	0.09	0.00	(0.09)
General Office Expenses	0.28	1.12	0.61	0.85	0.23
Depreciation Expense	0.01	0.01	0.01	0.01	(0.00)
Depreciation & Amortization Expense	0.01	0.01	0.01	0.01	(0.00)
Printing Expense	0.01	0.02	0.03	0.37	0.34
Shipping & Postage Expense	0.00	0.02	0.02	0.21	0.19
Interest Exp	0.17	0.17	0.40	-	(0.40)
<b>Total Administrative Expenses</b>	<b>15.92</b>	<b>18.11</b>	<b>18.64</b>	<b>16.29</b>	<b>(2.35)</b>
<b>Net Income / (Loss)</b>	<b>7.40</b>	<b>6.72</b>	<b>(6.84)</b>	<b>2.99</b>	<b>(9.83)</b>

**Gold Coast Health Plan  
Income Statement  
Period Ended May 31, 2012**

	<u>YTD</u>	<u>Budget</u>	<u>Variance</u> Fav/(Unfav)
<b>Members (Member/Months)</b>	1,114,182	1,118,654	(4,472)
<b>Revenues</b>			
Premium	257.32	243.93	13.38
Reserve for Retro-Active Rate Reduction	(5.51)	(1.48)	(4.02)
Interest Income	0.14	0.12	0.02
Miscellaneous Income	0.38	0.38	0.00
<b>Total Revenues</b>	<b>252.33</b>	<b>242.95</b>	<b>9.38</b>
MCO Tax	6.05	5.61	0.44
<b>Net Revenue</b>	<b>246.28</b>	<b>237.34</b>	<b>8.94</b>
<b>Cost of Health Care</b>			
<u>Capitation</u>	6.19	6.90	0.71
<u>Claims</u>			
Inpatient FFS Expense	44.19	36.68	(7.51)
LTC/SNF Expense	64.82	67.60	2.78
Outpatient FFS Expense	26.67	22.11	(4.56)
Laboratory and Radiology Expense	2.25	2.21	(0.04)
Emergency Room Facility Services FFS	5.19	4.71	(0.48)
Physician Specialty Services FFS	20.19	19.27	(0.92)
Other Medical Professional	2.34	2.00	(0.33)
Pharmacy	29.34	32.36	3.02
Reinsurance	0.91	0.91	(0.00)
Claims Recoveries	(1.54)	-	1.54
Other Medical Care Expenses	0.00	-	(0.00)
Other Fee For Service Expense	14.97	13.70	(1.27)
Transportation FFS	2.92	2.80	(0.12)
Medical & Care Management	4.68	4.96	0.27
<u>Total Claims</u>	216.93	209.31	(7.62)
<b>Total Cost of Health Care</b>	<b>223.12</b>	<b>216.21</b>	<b>(6.91)</b>
<b>Administrative Expenses</b>			
Salaries and Wages	2.40	2.77	0.37
Payroll Taxes and Benefits	0.86	0.96	0.10
Total Travel and Training	0.04	0.09	0.05
Outside Service - ACS	9.48	9.22	(0.26)
Outside Service - CQS	0.00	0.05	0.04
Outside Service - RGS	0.09	0.11	0.01
Outside Services - Other	0.65	0.17	(0.48)
Accounting & Actuarial Services	0.10	0.12	0.02
Legal Expense	0.06	0.04	(0.02)
Insurance	0.03	0.03	(0.00)
Lease Expense -Office	0.12	0.19	0.06
Consulting Services Expense	0.17	0.04	(0.12)
Translation Services	0.01	0.01	0.00
Advertising and Promotion Expense	0.17	0.21	0.04
General Office Expenses	0.43	0.47	0.05
Depreciation Expense	0.01	0.01	(0.00)
Depreciation & Amortization Expense	0.01	0.01	(0.00)
Printing Expense	0.02	0.20	0.18
Shipping & Postage Expense	0.02	0.08	0.06
Interest Exp	0.31	0.00	(0.31)
<b>Total Administrative Expenses</b>	<b>14.97</b>	<b>14.78</b>	<b>(0.19)</b>
<b>Net Income / (Loss)</b>	<b>8.19</b>	<b>6.35</b>	<b>1.84</b>

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

	<u>APR 2012</u>	<u>MAY 2012</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)	<u>Variance Explanation</u>
<b>Members (Member/Months)</b>	<u>101,272</u>	<u>101,041</u>	<u>(231)</u>		
<b>Revenues</b>					
Premium	26,558,134	26,432,002	(126,132)	-0.47%	
Reserve for Retro-Active Rate Reduction	(563,998)	(564,990)	(992)	-0.18%	
Interest Income	18,908	15,771	(3,137)	-16.59%	
Miscellaneous Income	38,333	38,333	-	0.00%	
<b>Total Revenues</b>	<u>26,051,378</u>	<u>25,921,117</u>	<u>(130,261)</u>	<u>-0.50%</u>	
MCO Tax	624,116	621,152	2,964	0.47%	
<b>Net Revenue</b>	<u>25,427,262</u>	<u>25,299,965</u>	<u>(127,297)</u>	<u>-0.50%</u>	
<b>Cost of Health Care</b>					
<u>Capitation</u>	631,706	634,809	(3,103)	-0.49%	
<u>Claims</u>					
Inpatient FFS Expense	4,414,111	5,050,059	(635,948)	-14.41%	Added \$3M to reserves
LTC/SNF Expense	6,540,243	7,675,933	(1,135,690)	-17.36%	
Outpatient FFS Expense	2,659,531	3,049,193	(389,662)	-14.65%	
Laboratory and Radiology Expense	224,241	255,670	(31,429)	-14.02%	
Emergency Room Facility Services FFS	516,532	595,058	(78,526)	-15.20%	
Physician Specialty Services FFS	2,014,947	2,300,063	(285,116)	-14.15%	
Other Medical Professional	281,320	312,135	(30,814)	-10.95%	
Pharmacy	3,244,925	3,292,480	(47,555)	-1.47%	
Reinsurance	92,309	92,158	152	0.16%	
Claims Recoveries	-	(1,719,551)	1,719,551	-100.00%	Total of outstanding refund requests sent
Other Medical Care Expenses	-	-	-	-100.00%	
Other Fee For Service Expense	1,496,864	1,706,929	(210,065)	-14.03%	
Transportation FFS	290,339	333,734	(43,395)	-14.95%	
Medical & Care Management	511,080	529,018	(17,938)	-3.51%	
<u>Total Claims</u>	<u>22,286,444</u>	<u>23,472,879</u>	<u>(1,186,435)</u>	<u>-5.32%</u>	
<b>Total Cost of Health Care</b>	<u>22,918,149</u>	<u>24,107,687</u>	<u>(1,189,538)</u>	<u>-5.19%</u>	



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

	<u>APR 2012</u>	<u>MAY 2012</u>	<u>Variance</u> Fav/(Unfav)	<u>% Variance</u> Fav/(Unfav)	<u>Variance Explanation</u>
<b>Administrative Expenses</b>					
Salaries and Wages	239,560	301,593	(62,033)	-25.89%	4 new hires in May
Payroll Taxes and Benefits	83,567	88,190	(4,623)	-5.53%	
Total Travel and Training	2,856	2,005	851	29.78%	
Outside Service - ACS	940,274	956,991	(16,718)	-1.78%	
Outside Service - CQS	625	-	625	0.00%	
Outside Service - RGS	9,056	9,732	(676)	-7.46%	
Outside Service - Script Care	-	-	-	0.00%	
Outside Services - Other	266,888	289,582	(22,694)	-8.50%	BRG Invoices
Accounting & Actuarial Services	52,750	28,495	24,255	45.98%	
Legal Expense	33,002	2,350	30,652	92.88%	
Insurance	2,959	2,959	-	0.00%	
Lease Expense -Office	10,269	11,869	(1,600)	-15.58%	
Consulting Services Expense	44,007	69,350	(25,343)	-57.59%	Accrued RGS on-site support
Translation Services	550	1,051	(501)	-90.94%	
Advertising and Promotion Expense	8,384	9,466	(1,082)	-12.90%	
General Office Expenses	112,799	61,719	51,079	45.28%	
Depreciation & Amortization Expense	1,461	1,461	-	0.00%	
Printing Expense	1,995	2,977	(981)	-49.19%	ACS printing invoice revision
Shipping & Postage Expense	1,868	2,467	(599)	-32.08%	
Interest Exp	16,761	40,841	(24,079)	-143.66%	
<b>Total Administrative Expenses</b>	<b><u>1,829,630</u></b>	<b><u>1,883,097</u></b>	<b><u>(53,467)</u></b>	<b><u>-2.92%</u></b>	
<b>Net Income / (Loss)</b>	<b><u><u>679,482</u></u></b>	<b><u><u>(690,820)</u></u></b>	<b><u><u>(1,370,302)</u></u></b>	<b><u><u>201.67%</u></u></b>	

**Gold Coast Health Plan  
General Office Expense  
Period Ended May 31, 2012**

	<u>APR 2012</u>	<u>MAY 2012</u>
Non-Capital - Furniture & Equip.	25,621	30,212
Non-Capital Equipment - Computer	13,477	12,227
Software Licenses	9,140	4,219
Repairs & Maintenance	1,096	609
Telephone Services/ Internet Charges	1,115	6,037
Lease Expense -Equipment	4,751	(4,047)
Office & Operating Supplies	6,820	3,641
Bank Service Fees Expense	-	192
EE Recruitment	43,479	2,519
Prof Dues, Fees and Licenses	7,299	6,111
<b>General Office Expenses</b>	<b>112,799</b>	<b>61,719</b>

**Gold Coast Health Plan  
Statement of Cash Flows  
Month Ended May 31, 2012**

Cash Flow From Operating Activities	
Collected Premium	26,352,699
Miscellaneous Income	15,771
<u>Paid Claims</u>	
Medical & Hospital Expenses	(18,840,924)
Pharmacy	(3,432,218)
Capitation	(631,706)
Reinsurance of Claims	(92,158)
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(1,001,927)
Repay Initial Net Liabilities	-
MCO Taxes Expense	-
Net Cash Provided/(Used) by Operating Activities	<b>2,369,537</b>
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	(3,802)
Net Cash Provided/(Used) by Investing/Financing	<b>(3,802)</b>
<b>Net Cash Flow</b>	<b>2,365,735</b>
Cash and Cash Equivalents (Beg. of Period)	50,798,092
Cash and Cash Equivalents (End of Period)	53,163,827
	<b>2,365,735</b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income/(Loss)	(690,820)
Depreciation & Amortization	1,461
Decrease/(Increase) in Receivables	(1,804,029)
Decrease/(Increase) in Prepays & Other Current Assets	12,576
(Decrease)/Increase in Payables	1,147,699
(Decrease)/Increase in LT Liabilities	(80,000)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	621,152
Changes in Claims and Capitation Payable	3,946,057
Changes in IBNR	(784,558)
	<b>2,369,537</b>
<b>Net Cash Flow from Operating Activities</b>	<b>2,369,537</b>

**Gold Coast Health Plan  
Statement of Cash Flows  
Eleven Months Ended May 31, 2012**

Cash Flow From Operating Activities	
Collected Premium	284,748,248
Miscellaneous Income	174,327
<u>Paid Claims</u>	
Medical & Hospital Expenses	(169,012,044)
Pharmacy	(30,699,461)
Capitation	(6,896,410)
Reinsurance of Claims	(924,506)
Reinsurance Recoveries	
Payment of Withhold / Risk Sharing Incentive	
Paid Administration	(19,984,236)
Repay Initial Net Liabilities	
MCO Taxes Expense	(4,878,254)
Net Cash Provided by Operating Activities	<b>52,527,663</b>
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	(24,533)
Net Cash Provided/(Used) by Investing/Financing	<b>(24,533)</b>
<b>Net Cash Flow</b>	<b>52,503,130</b>
Cash and Cash Equivalents (Beg. of Period)	660,697
Cash and Cash Equivalents (End of Period)	53,163,827
	<b>52,503,130</b>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net (Loss) Income	9,125,546
Depreciation & Amortization	16,412
Decrease/(Increase) in Receivables	(4,066,524)
Decrease/(Increase) in Prepaids & Other Current Assets	(906,575)
(Decrease)/Increase in Payables	542,870
(Decrease)/Increase in LT Liabilities	(838,333)
Purchase of fixed Assets	
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	1,859,189
Changes in Claims and Capitation Payable	28,724,856
Changes in IBNR	18,070,222
	<b>52,527,663</b>
<b>Net Cash Flow from Operating Activities</b>	<b>52,527,663</b>

## Brand vs. Generic Prescription Drugs Comparison

YEAR-TO-DATE THRU MAY 31, 2012

**Summary Key Points**

- Groups mix was provided by Script Care, Ltd: GCHP, GCHPA, GCHPB, GCHPC, GCHPD, GCHPE, GCHPF and GCHPG.
- Membership enrollment is slightly below 2012 Budget.
- Utilization is 21.9% of total enrollment (note: population mix changes in October of 2012 will have direct impact on utilization).
- **Cost per claim summary:**
  - Total number of claims per member is 0.13 favorable to budget (0.63 vs. 0.76).
  - With prescription drug costs rising, Generic alternatives are more favorable than Brand-name medications, resulting in a YTD thru May 31, 2012 average cost per claim of \$163.05 (Brand) vs. \$22.03 (Generic). Generic tends to remain flat but Brand tends to fluctuate in relation to fluctuations in number of claims paid and utilization. Generic drugs are safe, effective, FDA-approved, and less expensive.
  - Plan combined (Brand and Generic) expense is \$3.4M favorable to budget (\$32.8M Actual vs. \$36.2M Budget); cost per ppm is \$2.96 favorable to budget (\$29.41 vs. \$32.36).
  - The actual cost combined (Brand and Generic) per encounter amount to \$46.77 as compared to a budgeted \$42.71, resulting in (\$4.06) unfavorable variance .
  - Brand accounted for 17.5% and Generic of 82.5% of total Pharmacy orders.

# Gold Coast Health Plan

Script Care Plan Utilization and Cost Trend

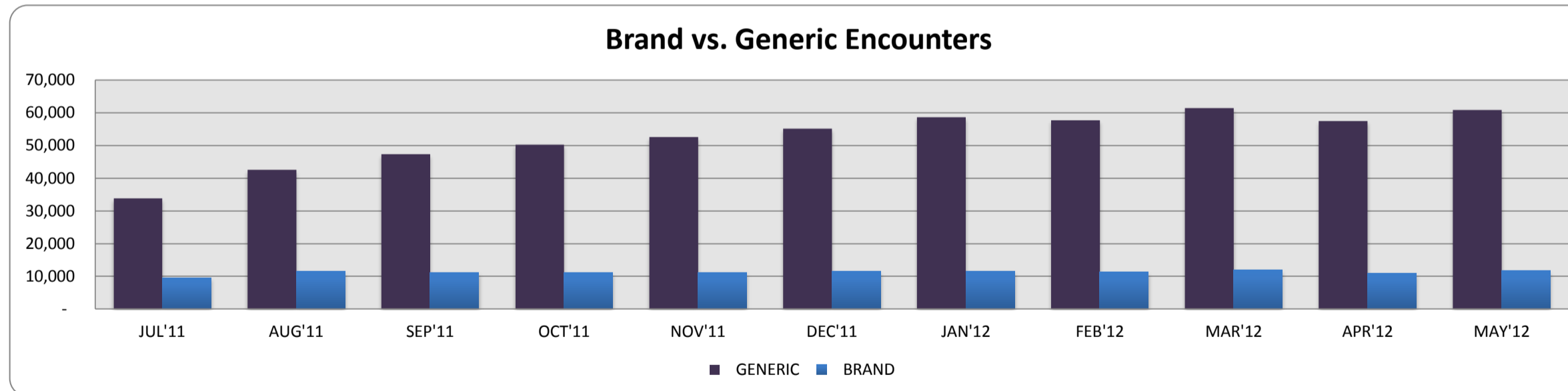
July 1, 2011- May 31, 2012

	JUL'11	AUG'11	SEP'11	OCT'11	NOV'11	DEC'11	JAN'12	FEB'12	MAR'12	APR'12	MAY'12	YTD	BUDGET	FAV/(UNFAV)
<b>Enrollment<sup>1</sup></b>	102,033	101,487	101,470	101,619	101,174	101,243	100,636	100,768	101,439	101,272	101,041	1,114,182	1,118,654	(4,472)
<b>Utilization<sup>2</sup></b>	16,567	19,366	20,731	21,710	22,389	23,000	23,775	23,926	24,981	23,349	24,216	244,010		
% (enrollment)	16.2%	19.1%	20.4%	21.4%	22.1%	22.7%	23.6%	23.7%	24.6%	23.1%	24.0%	21.9%		
<b>Number Of Claims Paid<sup>2</sup></b>														
BRAND	9,545	11,471	11,068	11,060	11,197	11,482	11,421	11,267	11,903	10,888	11,617	122,919	211,929	89,010
GENERIC	33,835	42,558	47,334	50,240	52,560	55,093	58,588	57,714	61,435	57,443	60,861	577,661	635,787	58,126
Total	43,380	54,029	58,402	61,300	63,757	66,575	70,009	68,981	73,338	68,331	72,478	700,580	847,715	147,135
<i>pmpm</i>	0.43	0.53	0.58	0.60	0.63	0.66	0.70	0.68	0.72	0.67	0.72	0.63	0.76	0.13
BRAND %	22.0%	21.2%	19.0%	18.0%	17.6%	17.2%	16.3%	16.3%	16.2%	15.9%	16.0%	17.5%	25.0%	7.5%
GENERIC %	78.0%	78.8%	81.0%	82.0%	82.4%	82.8%	83.7%	83.7%	83.8%	84.1%	84.0%	82.5%	75.0%	-7.5%

	JUL'11	AUG'11	SEP'11	OCT'11	NOV'11	DEC'11	JAN'12	FEB'12	MAR'12	APR'12	MAY'12	YTD	BUDGET	FAV/(UNFAV)
<b>Plan Cost<sup>2</sup></b>														
BRAND	1,551,076	1,802,384	1,733,036	1,800,249	1,760,284	1,963,430	1,815,536	1,816,430	1,908,982	1,951,084	1,939,649	20,042,141		
GENERIC	725,182	899,611	1,014,144	1,100,743	1,153,712	1,254,143	1,304,658	1,259,202	1,348,636	1,293,842	1,370,173	12,724,045		
Total	\$ 2,276,258.54	\$ 2,701,995.31	\$ 2,747,179.22	\$ 2,900,991.98	\$ 2,913,995.65	\$ 3,217,572.96	\$ 3,120,194.44	\$ 3,075,632.19	\$ 3,257,618.03	\$ 3,244,925.24	\$ 3,309,822.37	\$ 32,766,185.93	\$ 36,203,532.00	\$ 3,437,346.07
<i>pmpm</i>	\$22.31	\$26.62	\$27.07	\$28.55	\$28.80	\$31.78	\$31.00	\$30.52	\$32.11	\$32.04	\$32.76	\$29.41	\$32.36	\$2.96
avg. claim cost (Br & Gen)	\$52.47	\$50.01	\$47.04	\$47.32	\$45.70	\$48.33	\$44.57	\$44.59	\$44.42	\$47.49	\$45.67	\$46.77	\$42.71	(\$4.06)
BRAND %	68.1%	66.7%	63.1%	62.1%	60.4%	61.0%	58.2%	59.1%	58.6%	60.1%	58.6%	61.2%		
GENERIC %	31.9%	33.3%	36.9%	37.9%	39.6%	39.0%	41.8%	40.9%	41.4%	39.9%	41.4%	38.8%		
avg. claim cost (Brand)	\$162.50	\$157.13	\$156.58	\$162.77	\$157.21	\$171.00	\$158.96	\$161.22	\$160.38	\$179.20	\$166.97	\$163.05		
avg. claim cost (Generic)	\$21.43	\$21.14	\$21.43	\$21.91	\$21.95	\$22.76	\$22.27	\$21.82	\$21.95	\$22.52	\$22.51	\$22.03		

**Note:**

- 1) The actual stats obtained from California Department of Health Care Services.
- 2) The actual stats obtained from Script Care, Ltd.



**GOLD COAST HEALTH PLAN**  
**Executive Summary**  
**May 2012 Financials**

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**Membership**

Membership in May of 101,041 represented a decline of 231 from April's 101,272. The bulk of the loss occurred in the Adult/Family and Aged categories. Total membership was below budget by 756. Positive retro-activity for May amounted to 4,221.

**Revenue**

May's Revenue again exceeded budget for the month and year-to-date:

- May Gross Premium Revenue was \$1.7M above budget, and surpassed the year-to-date budget by \$13.8M. Budgeted rates reflected the AB 97 adjustments and actual rates did not. On a net basis (deducting the calculated reserve for the rate reduction), premium was still \$1.1M favorable in May and \$9.3M favorable year-to-date. The positive variance is mainly due to premium earned for retro-membership.
- Revenue in May was also impacted by changes in the Plan's member mix. As compared to budget, the variances contributed a favorable net effect of \$2.44 pmpm and \$0.83 pmpm year-to-date. Most of the negative changes were seen in the Adult/Family and Aged categories, but gains in the Disabled and LTC categories helped to offset these differences and contributed to the overall favorable variance.
- In October 2011, California Department of Health Care Services announced that the premium would be reduced retro-actively to July 1, 2011 as a result of the 10% provider rate reductions (AB 97) approved by CMS. The reduction to Plan Premium was approximately 2.2% or \$560,000 per month. Year-to-date, \$6.1 million had been reserved for future offsets. Payments have continued to arrive using original rates.

**Health Care Costs**

Health Care Costs totaled \$24.1 million in May and \$248.6 million year-to-date, while the forecast called for \$22.3 million and \$241.9 million, respectively. Overall health care costs were higher than budget due to the Plan's addition to reserves of \$3.0 million over and above the normal monthly calculation.

- **Claims:** May claims (ex-pharmacy) were \$20.2M, compared with \$18.0M per budget. Year-to-date, claims were \$209.0M, compared with \$197.9M per budget. May claims were affected by an addition of \$3.0M to the Plan's reserves. This was partially offset by the recognition of \$1.7M in refunds receivable. During May, refund request letters were sent to providers that were identified as having received overpayments on prior claims.

- **Capitation:** Capitation for May again compared favorably to budget. Capitation was originally budgeted based on total membership for the three aid categories (Adult/Family, Aged & Disabled). However, not all members in these categories are required to select a capitated PCP. May capitation was \$634.8K, or \$101.3K less than a budgeted \$736.1K. Year-to-date, actual capitation was \$6.9M, as compared to a forecasted \$7.7M.
- **Pharmacy:** Pharmacy in May continued its tendency of coming in below budget. The Plan's actual expense of \$3.3M compared favorably to a budgeted \$3.6M. Year-to-date Pharmacy expense of \$32.7M, as compared to a budgeted \$36.2M, resulted in a positive variance of \$3.5M. The cost per encounter in May dropped to \$45.67 compared with an uncharacteristically high \$47.49 in April. May pharmacy encounters increased by about 4,100. Generics accounted for 84.0% of May's Pharmacy orders.

### **General & Administrative Expenses**

General and administrative expenses in May exceeded budget by \$225.1K for the month, and were over budget by \$150.1K year-to-date. Vendor costs represented 79% of total general and administrative expenses, while payroll costs represented 21%.

- ACS fees are based on a per member per month fee schedule. Year-to-date costs exceeded budget by \$248.2K due to the increased membership. The Plan also accrued an additional \$55K in May for estimated future billings (pursuant to a contract amendment) for increased activity related to retro-adds.
- May Salaries and Benefits are favorable to budget for the month and year-to-date by \$85K and \$547K, respectively. Current payroll expenses in May increased, as compared to the prior month, due to staffing additions in Member Services, Medical Management and Finance.
- Outside Services in May exceeded budget due to continued billings in the amount of \$276K by BRG for the ongoing state monitoring/advisory project.
- Accounting and Actuarial Services included a billing from Milliman for services related to the data warehouse implementation project. Year to date, the Plan is below budget by \$23K.
- May Consulting Services contained an unbudgeted \$38K expense for human resources services provided by Regional Government Services. RGS staff continued to provide full-time, on-site consulting for H/R management. Additional consulting services were rendered by Tatum.
- Office Lease expense for May was below budget by \$14K. The original budget anticipated a move to a larger facility in January to accommodate a full staff.
- May interest expense increased to \$41K as a result of additional processing of delayed claims.



## **Balance Sheet**

- Cash and cash equivalents at the end of May totaled \$53.2 million. May premium of \$26.3M was collected and total health care costs paid amounted to \$23.0M.
- The May Medi-Cal Receivable balance represented premium accrued due to retroactive member increases of about \$1.9M, since the current month's premium had been received prior to month's end.
- In prior months, GCHP had advanced interim payments to some providers in order to mitigate issues related to delays in claims processing. These advances continued to be applied in the course of administering claims payments. The activity in May resulted in a further reduction of \$152K. Claims recovery efforts were elevated in May, resulting in the processing of formal refund request letters amounting to \$1.7M. This addition to Provider Receivable brought the balance to \$2.1M.
- Incurred But Not Reported (IBNR)/Claims Payable at the end of May was estimated at \$38 million (excluding \$2.0M in accrued pharmacy costs). Claims liability was estimated using budgeted per member per month amounts adjusted for actual membership plus retroactivity, less total claims paid during the month. The Plan also added \$3.0 million to its reserves in May.
- Accrued Premium Reduction amounted to \$6.1 million and is the result of the reserve that GCHP continues to book for the mandated premium rate reduction. The reserve, representing 11 months of reduction retroactive to July 1, was set aside for anticipated future settlement. The May addition to the reserve was \$565K.
- Accrued Premium Tax Payable of \$1.8M reflected the estimated accrued MCO tax as of May 31. Estimated payments are made in accordance with state regulations, and are scheduled to be made at the beginning of each calendar quarter.

## **Fund Balance**

The fund balance at May 31 was \$4.7 million and was mainly the result of retro-active premium revenue and favorable pharmacy management, reduced by the effect of higher health care costs, largely produced through additions to IBNR.

## **Tangible Net Equity**

The Plan's required Tangible Net Equity (TNE) for May was \$3.2 million. According to the phased-in approach approved by the Department of Health Care Services, the Plan was required to attain 20% of the minimum required TNE (\$15.8M). However, the Plan's TNE of \$4.7 million, now at 30%, exceeded the phase-in requirement by \$1.5 million.

# Memo

To: Cassie Undlin

From: Government Affairs and Communications Dept.

Date: June 20, 2012

Subject: Community Outreach Planning

The purpose of this memorandum is to outline a bilingual communication and outreach strategy for meeting Gold Coast Health Plan's (GCHP) short and long term community outreach goals. For discussion purposes GCHP's short-term communication and outreach strategy is defined by a six-month to a one-year period, while long-term goals are defined as a two to three-year period.

GCHP will continue to consult key stakeholders to develop an outreach strategy that includes the following objectives and critical elements:

## GOALS AND OBJECTIVES

- Identify and engage key stakeholder groups and individuals within the provider and consumer communities served by GCHP in Ventura County;
- Promote comprehensive health coverage and expand the enrollment of eligible individuals;
- Focus on Increasing awareness, goodwill between GCHP and communities served, and the Medi-Cal managed care system and process;
- Focus on providing high quality, accessible and cost effective healthcare while promoting wellness, prevention, and early intervention through health education.
- Identify specific populations to implement targeted outreach.
- Ensure the effective use of existing resources and community groups to better serve those with the greatest health care needs.

## CRITICAL ELEMENTS

- 1) **Community events** – In our continuing efforts to improve community relations and bring us closer to the community we serve, a GCHC Community Outreach Group will attend community public meetings, forums, workshops, and events to disseminate information on GCHP, Medi-Cal Managed Care processes and procedures. Subjects covered will include: how to apply for Medi-Cal, how to file

an appeal, what is share cost, selecting a Primary Care Provider (PCP), how to change your PCP, etc.

- 2) **Media** e.g. Develop web and mobile application technology, radio, advertising, social media outlets e.g. Facebook, Twitter, LinkedIn, You Tube, etc.
- 3) **Health Education** – Develop workshops, classes, and presentations focused on prevention, early intervention and wellness.

### **COMMUNITY EVENTS**

In the short-term, GCHP staff will work with community groups and seek input from stakeholders to design clear and concise marketing material that can be easily understood and disseminated throughout Ventura County communities. Informational flyers are to be distributed to community groups and events, e-mail/mail flyers to attendees of previous public meetings, flyers given to members of stakeholder committee for distribution to their network. See attached tentative list of community groups to be targeted.

GCHP may participate in public and community events either directly or indirectly to increase the Plan's goodwill, positive image, visibility, and overall good standing in the community. The following is a partial list of public and community venues and events:

- Presentations to community-based groups;
- Schools;
- Local Churches;
- Health Fairs;
- Farmers Markets;
- Senior Centers;
- Annual Festivals e.g Salsa Festival, Strawberry Festival, etc.; and
- Low Income Housing Departments.

Material distributed may include, but is not limited to:

- Informational and education flyers as well as promotional items in English, Spanish, Vietnamese, Mixteco, distributed in select high foot traffic locations;
- Print and mass media that is of no cost to GCHP and provides Public Service Announcements;
- Community meetings, hosted town hall gatherings and health fairs to promote and explain GCHP. Refer to tentative list of community groups to be targeted.

## **CONSUMER ADVISORY COMMITTEE**

Recommendations for outreach activities were also solicited from GCHP's Consumer Advisory Committee (CAC). The following outreach topics and activities were recommended by the CAC:

- Conduct outreach classes related to “What to do if you receive a bill from your doctor”.
- Selecting a PCP.
- What is a medical home?
- Answering eligibility-related questions
- Foster children – A presentation to Casa Pacifica and the Oxnard Foster Parents Association, targeting different age groups (children and 18 and over)
- Migration of GCHP members to central California and agreements with Central California providers – specific to Mixteco community
- Health Reform topics

## **MEDIA**

Maximize the use of our comprehensive-user friendly website to encourage and facilitate dissemination of information and enrollment. Additionally, develop and integrate mobile technology with such services as text alerts for medical appointments, prescription notices, and other important notifications. Use social media to promote GCHP, i.e. Facebook, Google+, LinkedIn, and Twitter, on-line web-based assistance, phone based applications, etc.

Post weekly, monthly updates/news on website and develop on-line newsletters and You Tube Educational and Information Video. Advertise in County-wide newspapers, such as VC Reporter, Vida Newspaper, Camarillo Acorn, Moorpark Acorn, Ojai Valley News, Santa Paula Times, Echo, Ventura County Star, Tri County Sentry; and Use of local English and Spanish speaking radio stations to promote GCHP services. Radio is a proven and effective medium to reach the Spanish-speaking community.

## **HEALTH EDUCATION**

Short-term health education activities will focus on the following but not limited to:

- Back to School – work with school Nurses to identify target populations;
- Pharmacy benefits – presentations with Script Care staff;
- Diabetes education and community classes;
- Community Based Adult Services (CBAS);
- Health Fairs – In coordination with member outreach activities, health education materials will be made available during public health fairs and health education related activities;
- Health Promotion – develop materials on health education for the website and design curriculum for community health education classes;

- Member Health Education – GCHP Health Education and Disease Management services linking members to community resources and classes;
- Member Newsletter – health education tips and health topics will be made available to members three times a year by U.S. mail and e-mail;
- Links to Community Resources – Health Education Department helps members meet needs beyond health care and helps link members with community resources.

### **LONG TERM OBJECTIVES**

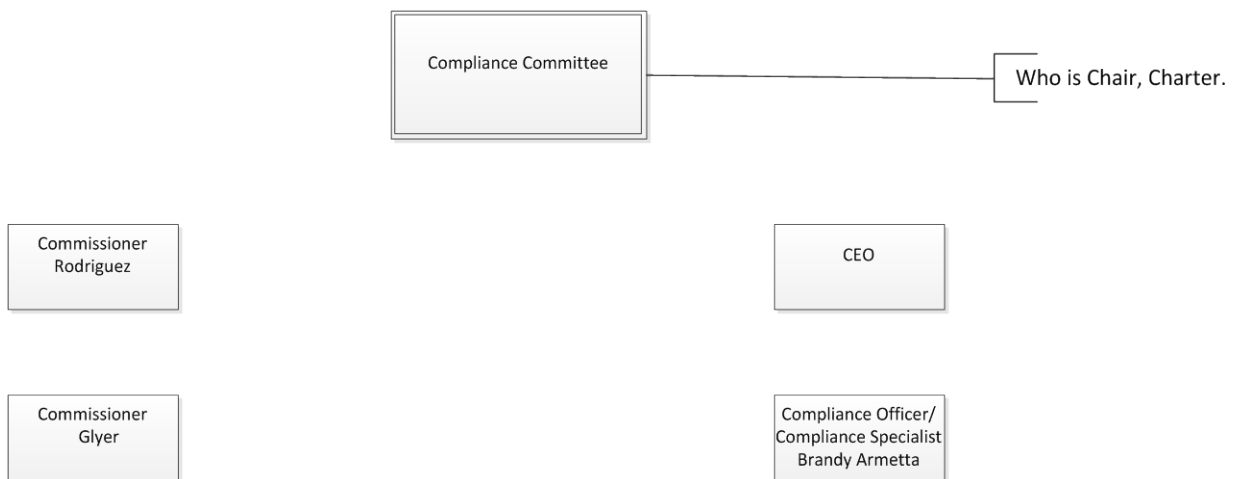
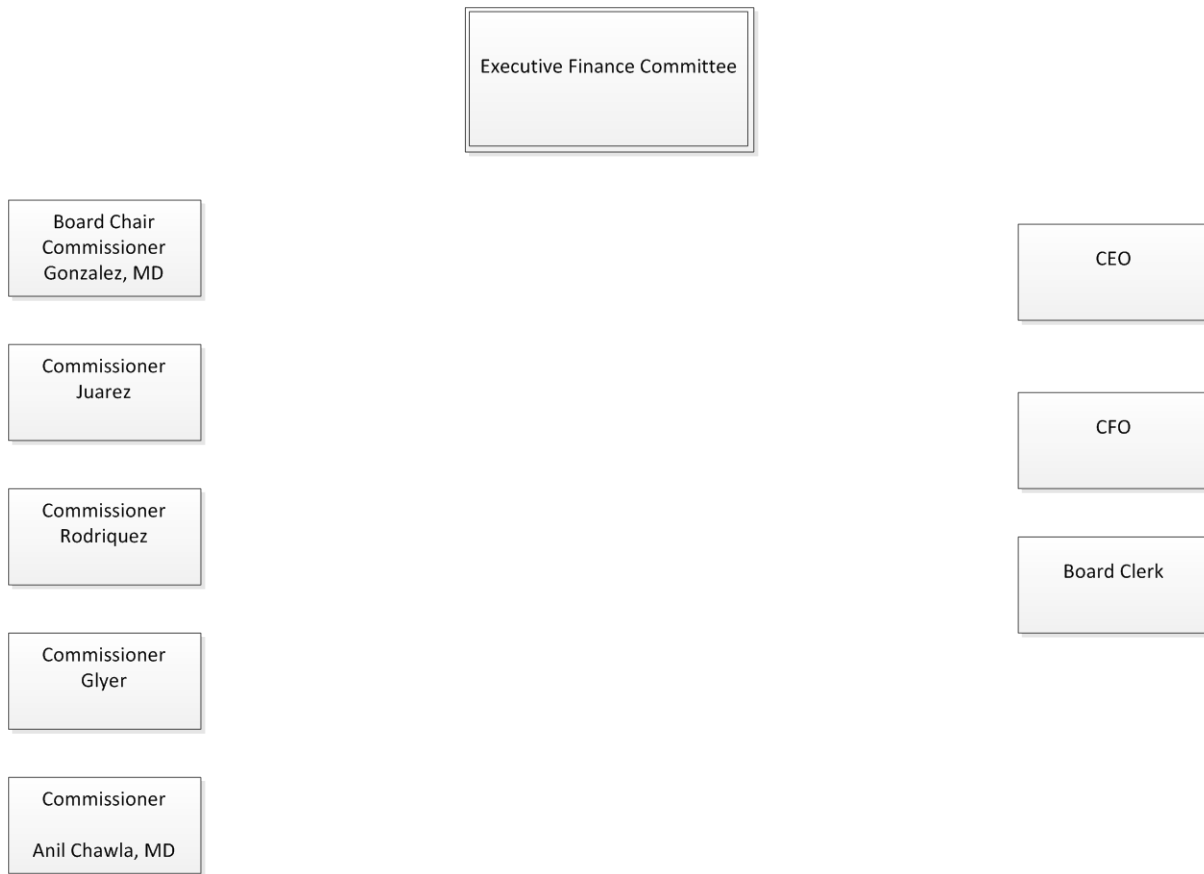
Design and implement a GCHP-based community resource center to serve as an important link to human and social services throughout Ventura County. Such resources could include a speaker's bureau program to provide information and education on a wide range of health care topics that impact members and the community in general. Expand and promote use of Information Technology, such that GCHP should seek to integrate mobile technology providing with services such as "text alerts" for medical appointments, prescription notices, and other important notifications.

# Gold Coast Health Plan

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## Current Permanent Board Committees

June 21, 2012



# Gold Coast Health Plan

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Consumer Advisory Council

Who is Chair, Charter.

Ruben Juarez County  
Human Service  
Agency

Curtis Updike County  
Human Service  
Agency

Director External  
Affairs/  
Communications

Robert Dennis  
Person with  
Disabilities

Edie Brown  
California Congress of  
Seniors

Member Services

Juliana Fjeld Person  
with Disabilities

Katharine Raley  
Ventura Area on  
Aging

Communications

Frisa Herrera Foster  
Children

Norma Gomez  
Mixteco Indigena  
Community

Linda Smith  
Children with Special  
Needs

Joseph Buchroeder  
Chronic Medical  
Conditions

# Gold Coast Health Plan

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Antonio Alatorre  
Traditional/Safety  
Net

Mark Minnis  
Home Health &  
Hospice

CMO  
Dr. Cho

Alger Brion  
Long Term Care

John Roughan  
Simi Valley

Director Health  
Services

Clive Salmon Non-  
Physician Practitioner

Open  
VCHCA

Director of QI

C. Albert Reeves, MD  
VCHCP

Joyce Weckl, RN  
Independent  
Practitioner

Kimberly Bridges,  
RN< BSN, CMH  
Community Clinics

Brett Zaer  
DME



# Gold Coast Health Plan

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## Current Permanent Board Committees

June 21, 2012

Executive Finance Committee

Board Chair  
Commissioner  
Gonzalez, MD

CEO

Commissioner  
Juarez

CFO

Commissioner  
Rodriquez

Board Clerk

Commissioner  
Glyer

Commissioner  
Anil Chawla, MD

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Compliance Committee

Who is Chair, Charter.

Commissioner  
Rodriguez

CEO

Commissioner  
Glyer

Compliance Officer/  
Compliance Specialist  
Brandy Armetta

# Gold Coast Health Plan

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Consumer Advisory Council

Who is Chair, Charter.

Ruben Juarez County  
Human Service  
Agency

Curtis Updike County  
Human Service  
Agency

Director External  
Affairs/  
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Robert Dennis  
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# Gold Coast Health Plan

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## Proposed Board Committees June 21, 2012

Audit Committee

Commissioner  
Finance Committee

CFO

Commissioner  
Not on Finance  
Committee

CEO

External

External

# Gold Coast Health Plan

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## Proposed Board Committees June 21, 2012

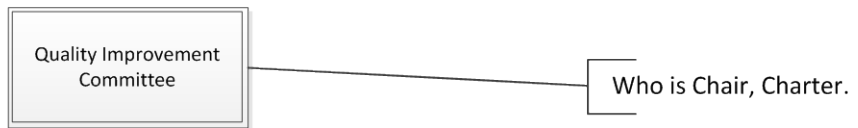


Commissioner  
Open

CEO or COO

Commissioner  
Open

Human Relations  
Manger



MD

CEO

Name  
Title

CMO

Name  
Title

QI Director