



**Ventura County Medi-Cal Managed  
Care Commission (VCMACC) dba  
Gold Coast Health Plan (GCHP)  
Executive / Finance Committee Meeting**

Executive Conference Room at Gold Coast Health Plan  
711 E. Daily Drive, Suite 106, Camarillo, CA 93010  
**Thursday, November 5, 2015  
3:00 PM**

**AGENDA**

**CALL TO ORDER / ROLL CALL**

**PUBLIC COMMENT** Comments are limited to three (3) minutes. Those wishing to comment must complete and submit a Speaker Card to the Clerk of the Board.

- **Public Comment** – Comments regarding items not on the agenda but within the subject matter jurisdiction of the Committee.
- **Agenda Item Comment** – Comments within the subject matter jurisdiction of the Committee pertaining to a specific item on the agenda. The speaker is recognized and introduced by the Committee Chair during Committee's consideration of the item.

**1. APPROVE MINUTES**

- a. October 1, 2015 Regular Executive / Finance Meeting Minutes

**2. ACCEPT AND FILE ITEMS**

- a. CEO Update
- b. CFO Update - September Financials

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 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, 711 E. DAILY DRIVE, SUITE #106, CAMARILLO, CA.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT TRACI AT (805) 437-5509. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING.

**Ventura County Medi-Cal Managed Care Commission (VCMGCC) dba Gold Coast Health Plan (GCHP)  
November 5, 2015 Executive / Finance Committee Meeting Agenda (*continued*)**

**LOCATION:** Executive Conference Room, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010

**TIME:** 3:00 PM

**PAGE:** 2 of 2

**COMMENTS FROM COMMITTEE MEMBERS**

**ADJOURNMENT**

Unless otherwise determined by the Committee, the next regular meeting of the Committee will be held on January 7, 2016 in the Executive Conference Room, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010

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

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**Ventura County Medi-Cal Managed Care Commission  
(VCMGCC) dba Gold Coast Health Plan (GCHP)  
Executive / Finance Committee Meeting Minutes**

**October 8, 2015**

*(Not official until approved)*

**CALL TO ORDER**

Chair Araujo called the meeting to order at 3:06 p.m. in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo, CA 93010.

**ROLL CALL**

**COMMITTEE MEMBERS PRESENT**

**Antonio Alatorre**, Clinicas del Camino Real, Inc.

**David Araujo, MD**, Ventura County Medical Center Family Medicine Residency Program

**David Glycer**, Private Hospitals / Healthcare System

**Dee Pupa**, Ventura County Health Care Agency

**EXCUSED / ABSENT COMMITTEE MEMBERS**

**Gagan Pawar, MD**, Clinicas del Camino Real, Inc.

**STAFF IN ATTENDANCE**

**Ruth Watson**, Chief Operating Officer

**Patricia Mowlavi**, Chief Financial Officer

**Traci R. McGinley**, Clerk of the Board

**Scott Campbell**, Legal Counsel

**William Freeman**, Network Operations Director

**Anne Freese**, Pharmacy Director

**Steven Lalich**, Communications Director

**Al Reeves, MD**, Chief Medical Officer

**Lyndon Turner**, Financial Analysis Director

**PUBLIC COMMENTS**

None.

**1. APPROVE MINUTES**

**a. July 9, 2015 Regular Meeting Minutes**

Committee Member Glycer moved to approve the July 9, 2015 Regular Meeting Minutes. Committee Member Araujo seconded. The motion carried with the following vote:

AYE: Araujo, Glycer and Pupa.

NAY: None.

ABSTAIN: Alatorre.

ABSENT: Pawar.

## **2. APPROVAL ITEMS**

### **a. 2016 Executive / Finance Meeting Calendar**

Committee Member Alatorre moved to approve the 2016 Executive / Finance Committee Meeting Calendar. Committee Member Glyer seconded. The motion carried with the following vote:

AYE: Alatorre, Araujo, Glyer and Pupa.

NAY: None.

ABSTAIN: None.

ABSENT: Pawar.

## **3. ACCEPT AND FILE ITEMS**

### **a. CEO Update**

COO Watson reviewed the report and updated the Committee on the Pharmacy Benefit Manager (PBM) Request for Proposals (RFP). She explained that during the first week of November, a new PBM RFP would be released due the determination by the Fair Political Practices Commission (FPPC) regarding the consultant's participation in the original RFP.

Pharmacy Director Freeze explained that new pharmacy rebate regulations which may significantly benefit the Plan will be built into the new RFP. Discussion was held regarding the new pharmacy regulations, other pharmacy rebate programs and generic medications.

COO Watson added that due to the delay caused by the RFP, the current PBM contract with Script Care would need to be extended as well as the Administrative Services Organization (ASO) contract.

COO Watson advised the Committee that the behavior health provider, Beacon Health Strategies (Beacon), has been sent additional compliance notices. Beacon has been unable to provide specific reports needed and there are concerns that they are unable to process claims as per their contract which is a risk to the Plan. A Request For Information (RFI) has been sent to Beacon and other potential vendors.

Chair Araujo noted that it would be helpful if the physicians knew what happens once a provider refers a member to behavior health. It would be most helpful if Providers at least knew what medications have been prescribed to the member. CMO Reeves added that most of the behavior health medications are carve-outs and the Plan does not receive the information from the State for approximately one year.

COO Watson noted that it may be helpful to reach out to Providers and ask what kind of challenges they have experienced.

**b. CFO Update – July and August Financials**

CFO Mowlavi advised the Committee that the FY 2013-14 audited financials were completed by McGladrey, LLP and sent to the Department of Health Care Services (DHCS). The new auditors, Moss-Adams, LLP have been very efficient; however they cannot complete a majority of the FY 2014-15 audit until they obtain access to McGladrey's work papers.

In response to questions from Committee Member Glyer regarding the Membership Mix and Revenue Impact of the Performance Graphs, CFO Mowlavi explained that the graph was based on 2 months actuals and 10 months budget.

Committee Member Glyer asked how the unallocated reserve margins are so high compared to the most successful COHS which are between 3-4%. He added that he understood that an Unallocated Reserve and Loss statement by program would be provided to the Committee.

In response to questions from Committee Member Glyer, COO Watson explained that the biggest driver of the unallocated reserves has been the Adult Expansion (AE) population. Financial Analysis Director Turner added that the Targeted Low Income Children (TLIC) population does as well.

Committee Member Glyer asked if the State could come in and take more money than the Plan has reserved. CFO Mowlavi responded that the Plan's reserve is adequate and results in the Medical Loss Ratio (MLR) for the AE population being equal to the 85%, as required by the State.

COO Watson added that there is no indication that the State will take more than the 85%, but will most likely lower the AE rates to better reflect the population in future rate development actions. Financial Analysis Director Turner added that the only risk that he sees is that they will retroactively define something that is not allowed in the MLR.

Discussion was held regarding membership. COO Watson added that through October membership was approximately 197,000, a gain of almost 4,000 members.

Committee Member Pupa moved to accept and file the CEO Update and the CFO Update – July and August Financials. Committee Member Alatorre seconded. The motion carried with the following vote:

AYE:	Alatorre, Araujo, Glyer and Pupa.
NAY:	None.
ABSTAIN:	None.
ABSENT:	Pawar.

**COMMENTS FROM COMMITTEE MEMBERS**

None.

## **CLOSED SESSION**

Legal Counsel Campbell explained the purpose of the Closed Session item.

## **ADJOURN TO CLOSED SESSION**

The Committee adjourned to Closed Session at 3:59 p.m. regarding the following items:

- a. **Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8**  
**Agency Designated Representatives:** Scott Campbell, legal counsel; Dale Villani, CEO; Ruth Watson, COO; Jeffrey Gauthier, Facilities Manager; William G. Kiefer, Executive Vice President NAI Capital, Inc.  
**Property Owners and Subject Real Property:** 711 Building LLC, 770 Paseo Camarillo, Camarillo, CA 93010  
**Under Negotiation:** Price and Term of Payment

## **RETURN TO OPEN SESSION**

The Regular Meeting reconvened at 4:51 p.m.

Legal Counsel Campbell stated there were no announcements from Closed Session.

## **ADJOURNMENT**

Meeting adjourned at 4:53 p.m.



## **AGENDA ITEM 2.a.**

TO: Gold Coast Health Plan Commission

FROM: Dale Villani, CEO

DATE: November 5, 2015

RE: CEO Update

**Pharmacy Benefits Management (PBM) Request for Proposal (RFP).** Gold Coast Health Plan (GCHP) previously reported to the Commission that the PBM RFP had been released and subsequently 7 proposals were received. Based upon legal review, the Plan felt it was in the best interest of GCHP to terminate the current RFP process and re-issue a new RFP. At this time the new RFP is scheduled to be released the first week in November. There has been initial interest from 11 prospective bidders. Based on the current timeline the Plan will bring a recommendation to the February 2016 Commission.

The current contract with Script Care terms on June 30, 2016 and negotiations to extend this contract are under way. The contract will automatically renew for one year unless termed or renegotiated.

**Managed Behavioral Health Organization (MBHO) Contract.** Beacon Health Strategies (Beacon) was issued a Corrective Action Plan (CAP) on May 14, 2015 specific to claims processing. Two subsequent CAP letters on continued deficiencies were issued. The Plan received a response from the delegate on October 14, 2015 and staff is currently viewing the material.

The current contract with Beacon terms on December 31, 2015. An amendment with a one year extension to December 31, 2016 has been received and is being reviewed by staff.

Procurement will issue a Request for Information in early November to assess other potential MBHO vendors.

**Gold Coast Health Plan (GCHP) Strategic Planning Meeting.** On October 13, 2015 the Plan hosted a strategic planning meeting at the Courtyard by Marriott in Oxnard, CA. The meeting was attended by the Commission and the Plans senior leadership team. Jennifer Kent, Director of the California Department of Health Care Services (DHCS) was the guest speaker.

The Commission approved GCHP's 2015 Strategic Plan which has the following key objectives:

- \* Collaborative Community Partner
- \* Strategic Business Partner
- \* Employer of Choice Committed to Diversity
- \* Responsible Fiscal Steward of Public Funds
- \* Healthcare Leader Committed to Access & Quality
- \* Positioning for Future Growth

**Health Homes Program (HHP) Request for Information (RFI).** The Department of Health Care Services (DHCS) is seeking to establish a Health Homes Program (HHP) in California to build on and enhance Plan Partner's work in serving Medi-Cal members with complex care needs. The HHP will provide additional resources to further enhance complex care management for a small population of high risk members with chronic conditions. DHCS has issued a non-binding RFI as a first step in the development of a more fully developed Request for Proposals (RFP). RFI responses are due October 30, 2015. GCHP is preparing a response to the RFI as it complements our current care management program. The Plan will be assessing opportunities to partner with community based care management entities.

**SB 137 (Hernandez) Provider Directories.** This bill establishes new requirements for health plans in maintaining and managing provider directories for enrollees. The issue of accuracy of health plan provider directories was in large part a result of the coverage expansion in the Affordable Care Act (ACA) and the roll out of Covered California.

Implementing this bill will take considerable work by plans. Online provider directories are required to be updated weekly and provider search criteria is expanded to include additional data elements not currently captured by the health plans. Implementation date is July 2017.

**New Senior Director, Human Resources: Danita Fulton.** I am pleased to announce that Danita Fulton joined the GCHP family on Monday, October 26, 2015 as the new Senior Director, Human Resources. Danita has over 15 years of human resources experience including positions at the Mayo Clinic, Care1st Health Plan and HealthBridge Children's Hospital Orange County. She has a Master of Arts Degree in Human Resources from Webster University and a Bachelor of Arts in Psychology from the University of Arkansas. I am confident Danita will be a strong asset to GCHP and have an immediate positive impact on the Human Resources Department.

### **\$6 Billion Waiver Gets Federal Approval**

Source: California Healthline.

By: David Gorn. Monday, November 2, 2015

CMS officials on Saturday agreed in principle to a five-year, \$6.2 billion waiver for California's Medicaid program.



That was good news for California health officials, who plan to use the money mainly for Medi-Cal delivery system and payment reforms -- the next big steps in implementing the Affordable Care Act. The state also will get money for its whole-person pilot project and a revamp of its Medi-Cal dental system.

As state and federal officials work out some of the remaining details of the new waiver called "Medi-Cal 2020," CMS granted the state a temporary extension of the current waiver to December 31, 2015. It was due to expire October 31, 2015.

"This is a critical step in the waiver renewal process," said Jennifer Kent, director of the Department of Health Care Services, in a written statement, "and we appreciate all of the hard work done thus far with CMS. However, much work remains as we develop the details of the waiver programs and components."

The waiver agreement is significantly lower than the state's original request for \$17 billion in programmatic funding.

It's also about \$1 billion lower than the state's recently revised waiver request that totaled about \$7.25 billion.

Some of the "Medi-Cal 2020" waiver details:

- \* The grand total for new 1115 waiver funding is set at \$6.218 billion over five years, with the potential for additional federal funding for its uninsured effort, which could be determined after the first year, DHCS officials said;
- \* The bulk of the waiver, about \$3.3 billion, will go toward a public hospital incentive program, to include hospitals operated by municipalities and health care districts. That money is slightly down from the \$4 billion requested by DHCS;
- \* The state had asked for \$1 billion over five years to care for the Global Payment Program, to help handle the remaining uninsured in California. It will get \$236 million in the first year of the waiver, with the possibility for more funding later;
- \* \$750 million will go toward improving dental health programs; and
- \* \$1.5 billion goes toward the state's whole-person care pilot.

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## **AGENDA ITEM 2.b.**

TO: Gold Coast Health Plan Commission

FROM: Patricia Mowlavi, CFO

DATE: November 5, 2015

RE: CFO Update - September Financials

### **External Audit**

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

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

### **Internal Audit**

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

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

## **Financial Highlights**

**Overall Performance** – For the three months ending September 30, 2015, the Plan's gain in unrestricted net assets was approximately \$16.3 million compared to the \$3.6 million budget. The favorable variance includes a \$3.9 million retroactive revenue rate adjustment received in September, for July through December 2013. Also contributing to the variance is higher than expected Adult Expansion (AE) membership growth and lower than anticipated health care and administrative costs.

**Tangible Net Equity** – Favorable operating results contributed to a Tangible Net Equity (TNE) level of approximately \$123.4 million, which exceeded both the budget of \$83.6 million by \$39.8 million and the State minimum required TNE amount of \$21.8 million by \$101.6 million. September's TNE was 533% of the State required TNE, excluding the \$7.2 million County of Ventura lines of credit (LOC). The sharp rise in TNE reflects an increase in capitated arrangements which are excluded from the TNE calculation.

**Membership** – September membership of 194,875 exceeded budget by 2,171 members. The increase was primarily in the Adult Expansion (AE) category, which grew by 2,104 members this fiscal year.

**Revenue** – For the month ending September, fiscal year to date net revenue was \$163.3 million or \$7.2 million favorable to budget. The favorable variance includes a \$3.9 million revenue rate adjustment, which is retroactive to July through December 2013. Also contributing to the variance is the increase in membership with higher capitation rates (Adult Expansion).

Revenue includes a \$4.6 million reserve for rate reductions associated with AE. This reserve represents an expected refund, to DHCS, of rate overpayments (DHCS is paying at July 1, 2014 rates rather than the July 1, 2015 published rates) and the anticipated refund of revenue to achieve a medical loss ratio (MLR) of 85%, for this aid category. (The MLR is calculated by dividing health care costs by revenue.)

**Health Care Costs** – For month ending September, fiscal year to date health care costs were \$137.8 million or \$4.1 million favorable to budget. The MLR for the fiscal year is 84.4%. Additional detail by major line item follows:

- **Capitation** – For the fiscal year, capitation was \$22.8 million or \$4.8 million over budget. The unfavorable variance is driven by the Enhanced Adult Capitation program, which was revised effective July 2015, as well as higher than budgeted capitated membership growth.
- **Fee for Service** – For the fiscal year, total claims expense was \$110.8 million

compared to a budget of \$118.0 million. While there was some movement of services between categories, the overall variance is \$1.7 million.

- Inpatient – Three unusually large claims are impacting inpatient costs this fiscal year.
- LTC / SNF – New AB 1629 rates were contemplated in the budget, but rates scheduled to be released August 1, 2014 have not yet been published by DHCS. Staff is in the process of researching an appropriate accrual estimate until rates are published and operationalized by the Plan.
- Pharmacy – For the fiscal year, overall Pharmacy was \$22.0 million or \$486,000 favorable to budget driven by lower than budgeted costs in Adult and Family aid categories.

Administrative Expenses – For the month ending September, fiscal year to date administrative costs totaled \$9.2 million or \$1.3 million favorable to budget. Savings were realized due to the delay in new hires and related costs associated with personnel and timing variances, which are not expected to continue.

The administrative cost ratio (ACR) is 6% or 1% favorable to budget. (The ACR is calculated by dividing administrative expenses by total revenue.)

Cash and Medi-Cal Receivable – Total Cash and Medi-Cal Premium Receivable balances were \$414.1 million, as of September 30, 2015. This includes pass-through payments for AB 85 of \$3.2 million and Managed Care Organizations (MCO) tax of \$4.0 million. Excluding the impact of the pass through amount, the total of Cash and Medi-Cal Receivable balance as of September 30, 2015 was \$406.8 million or \$855,000 under the budgeted level of \$407.7 million.

Investment Portfolio – As of September 30, 2015, the value the investments are as follows:

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

# **ATTACHMENTS**



## **FINANCIAL PACKAGE**

For the month ended September 30, 2015

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Financial Overview

Financial Performance Dashboard

### **APPENDIX**

Statement of Financial Positions

YTD Statement of Revenues, Expenses and Changes in Net Assets

Statement of Revenues, Expenses and Changes in Net Assets

Statement of Financial Positions

YTD Cash Flow

Monthly Cash Flow

Cash Trend Combined

Membership

Total Expense Composition

Paid Claims and IBNP Composition

Pharmacy Cost & Utilization Trends

**GOLD COAST HEALTH PLAN  
FINANCIAL RESULTS SUMMARY**

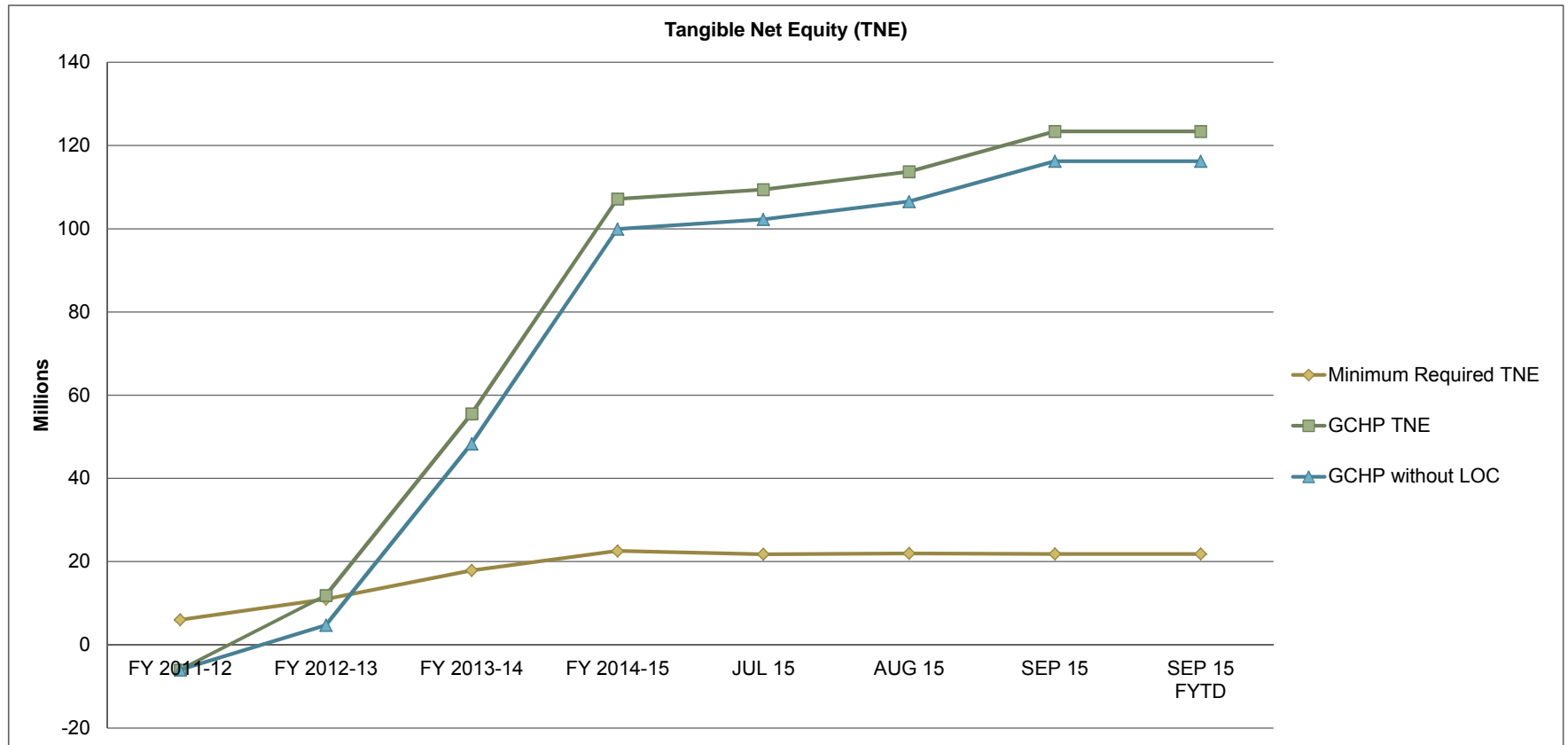
Description	AUDITED*	AUDITED*	AUDITED	UNAUDITED	FY 2015-16				Budget Comparison		
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	JUL 15	AUG 15	SEP 15	SEP 15 FYTD	Budget FYTD	Variance Fav / (Unfav)	Variance Fav / (Unfav)%
<b>Member Months</b>	<b>1,258,189</b>	<b>1,223,895</b>	<b>1,553,660</b>	<b>2,130,979</b>	<b>189,314</b>	<b>193,867</b>	<b>194,875</b>	<b>578,056</b>	<b>574,816</b>	3,240	0.6 %
<b>Revenue</b>	<b>304,635,932</b>	<b>315,119,611</b>	<b>402,701,476</b>	<b>596,219,281</b>	<b>49,905,030</b>	<b>55,401,591</b>	<b>57,991,214</b>	<b>163,297,835</b>	<b>156,058,292</b>	7,239,543	4.6 %
<i>pmpm</i>	242.12	257.47	259.20	279.79	263.61	285.77	297.58	282.49	271.49	11.00	4.1 %
<b>Health Care Costs</b>	<b>287,353,672</b>	<b>280,382,704</b>	<b>327,305,832</b>	<b>509,183,268</b>	<b>44,669,495</b>	<b>47,843,013</b>	<b>45,332,729</b>	<b>137,845,237</b>	<b>141,992,530</b>	4,147,293	2.9 %
<i>pmpm</i>	228.39	229.09	210.67	238.94	235.95	246.78	232.62	238.46	247.02	8.56	3.5 %
% of Revenue	94.3%	89.0%	81.3%	85.4%	89.5%	86.4%	78.2%	84.4%	91.0%	6.6 %	7.2 %
<b>Admin Exp</b>	<b>18,891,320</b>	<b>24,013,927</b>	<b>31,751,533</b>	<b>35,425,960</b>	<b>2,944,855</b>	<b>3,242,001</b>	<b>2,977,361</b>	<b>9,164,217</b>	<b>10,419,883</b>	1,255,666	12.1 %
<i>pmpm</i>	15.01	19.62	20.44	16.62	15.56	16.72	15.28	15.85	18.13	2.27	12.5 %
% of Revenue	6.2%	7.6%	7.9%	5.9%	5.9%	5.9%	5.1%	5.6%	6.7%	1.1 %	15.9 %
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>(1,609,063)</b>	<b>10,722,980</b>	<b>43,644,110</b>	<b>51,610,053</b>	<b>2,290,680</b>	<b>4,316,578</b>	<b>9,681,123</b>	<b>16,288,381</b>	<b>3,637,626</b>	12,650,756	347.8 %
<i>pmpm</i>	(1.28)	8.76	28.09	24.22	12.10	22.27	49.68	28.18	6.33	21.85	345.3 %
% of Revenue	-0.5%	3.4%	10.8%	8.7%	4.6%	7.8%	16.7%	10.0%	2.3%	7.6%	327.9 %
<b>YTD</b>											
100% TNE	16,769,368	16,138,440	17,867,986	22,556,530	21,780,703	21,953,653	21,819,072	21,819,072	23,426,220	(1,607,148)	(6.9)%
% TNE Required	36%	68%	100%	100%	100%	100%	100%	100%	100%		
Minimum Required TNE	6,036,972	10,974,139	17,867,986	22,556,530	21,780,703	21,953,653	21,819,072	21,819,072	23,426,220	(1,607,148)	(6.9)%
<b>GCHP TNE</b>	<b>(6,031,881)</b>	<b>11,891,099</b>	<b>55,535,211</b>	<b>107,145,264</b>	<b>109,435,944</b>	<b>113,752,522</b>	<b>123,433,646</b>	<b>123,433,646</b>	<b>83,616,534</b>	<b>39,817,112</b>	<b>47.6 %</b>
TNE Excess / (Deficiency)	(12,068,853)	916,960	37,667,225	84,588,734	87,655,241	91,798,869	101,614,573	101,614,573	60,190,313	41,424,260	68.8 %
% of Required TNE level			311%	475%	502%	518%	566%	566%	357%		
% of Required TNE level (excluding \$7.2 million LOC)			271%	443%	469%	485%	533%	533%	326%		

Note: TNE amount includes \$7.2 million related to the Lines of Credit (LOC) from Ventura County.

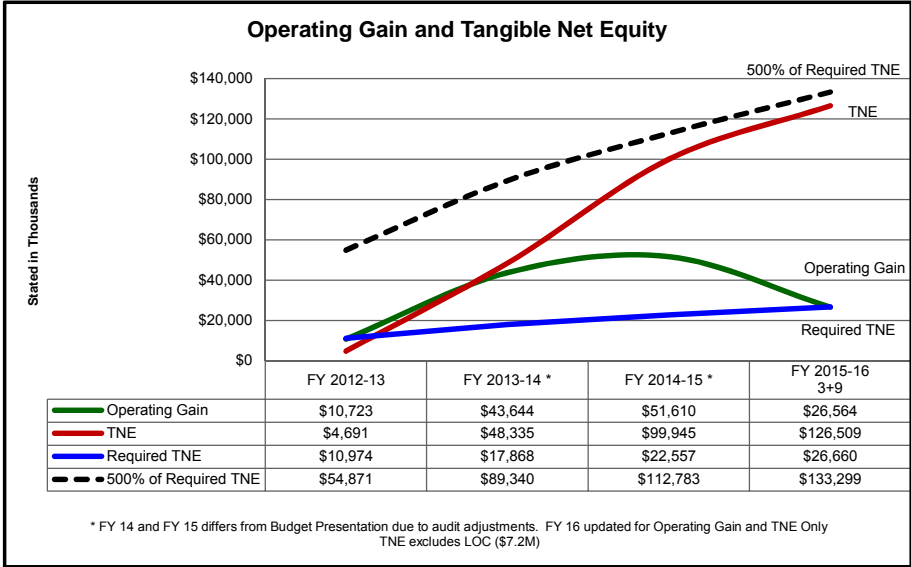
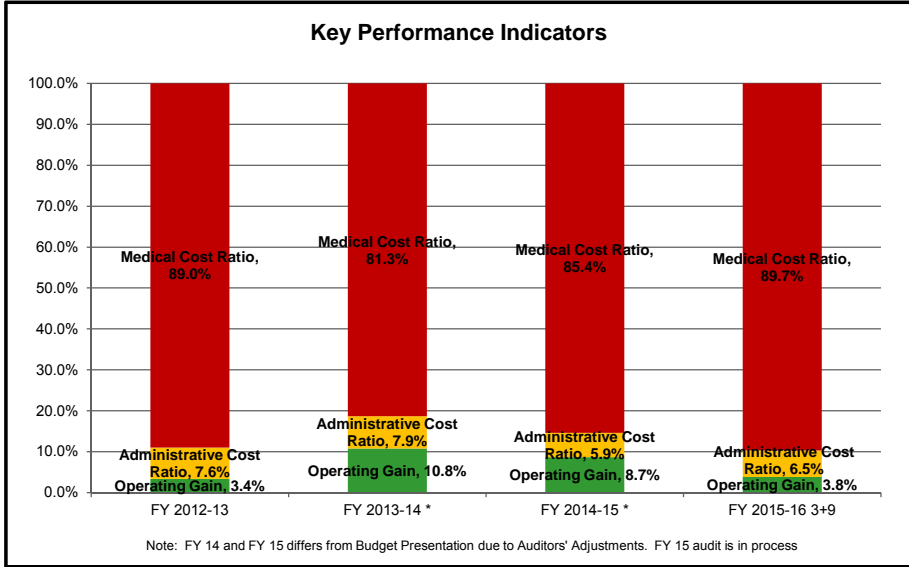
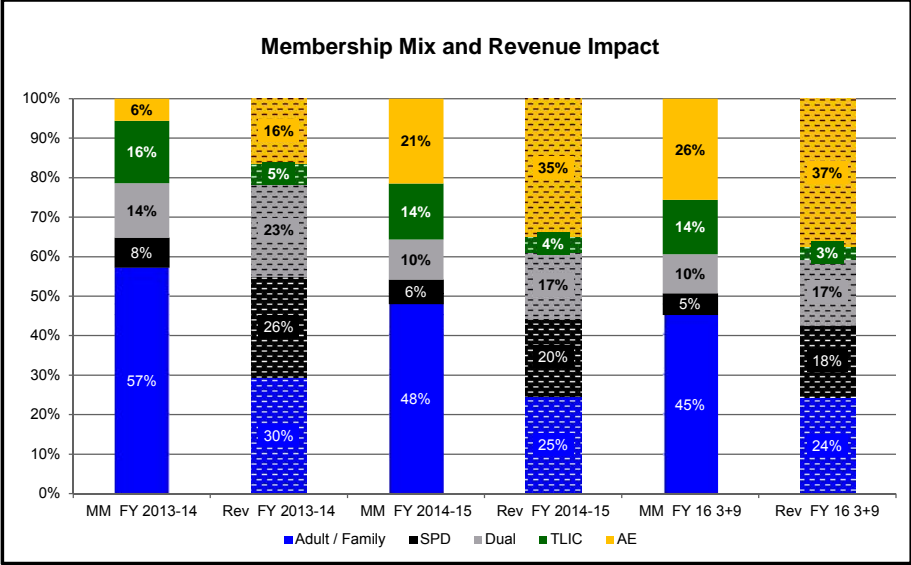
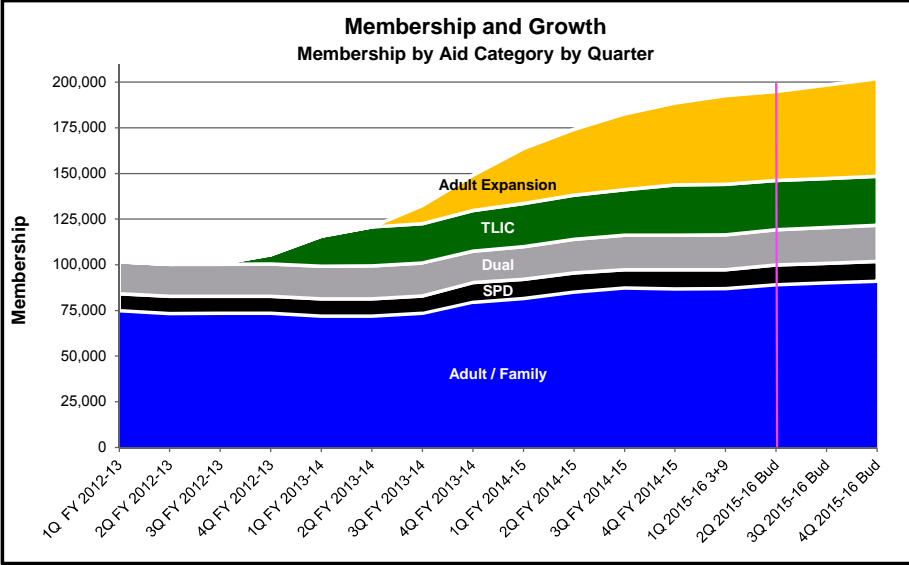
\* Audited amounts reflect financial adjustments made by auditors, but exclude presentation reclassifications without P&L impact (i.e. reporting package kept the same).



GOLD COAST HEALTH PLAN  
TANGIBLE NET EQUITY (TNE) CHART



# FINANCIAL PERFORMANCE DASHBOARD FOR MONTH ENDING SEPTEMBER 30, 2015



Note: 3+9 indicates 3 months of actual results followed by 9 months of forecasts



For the month ended September 30, 2015

**APPENDIX**

Statement of Financial Positions

YTD Statement of Revenues, Expenses and Changes in Net Assets

Statement of Revenues, Expenses and Changes in Net Assets

Statement of Financial Positions

YTD Cash Flow

Monthly Cash Flow

Cash Trend Combined

Membership

Total Expense Composition

Paid Claims and IBNP Composition

Pharmacy Cost & Utilization Trends

**STATEMENT OF FINANCIAL POSITION**

	09/30/15	08/31/15	07/31/15	Audited FY 2013-14
<b>ASSETS</b>				
<b>Current Assets:</b>				
<b>Total Cash and Cash Equivalents</b>	<b>\$ 89,376,678</b>	<b>\$ 95,355,438</b>	<b>\$ 41,673,499</b>	<b>\$ 60,176,698</b>
<b>Total Short-Term Investments</b>	<b>260,184,464</b>	<b>260,146,494</b>	<b>135,116,663</b>	<b>0</b>
Medi-Cal Receivable	64,573,064	59,326,724	186,030,070	119,538,688
Interest Receivable	302,757	204,793	277,605	0
Provider Receivable	596,315	480,792	478,672	395,129
Other Receivables	171,740	172,364	171,945	1,821,475
<b>Total Accounts Receivable</b>	<b>65,643,876</b>	<b>60,184,672</b>	<b>186,958,292</b>	<b>121,755,292</b>
Total Prepaid Accounts	1,673,177	1,598,954	1,158,110	994,278
Total Other Current Assets	81,702	81,702	81,702	81,719
<b>Total Current Assets</b>	<b>416,959,896</b>	<b>417,367,260</b>	<b>364,988,265</b>	<b>183,007,987</b>
<b>Total Fixed Assets</b>	<b>1,004,681</b>	<b>1,028,172</b>	<b>1,058,798</b>	<b>1,163,269</b>
<b>Total Long-Term Investments</b>	<b>24,577,733</b>	<b>24,600,960</b>	<b>24,624,169</b>	<b>0</b>
<b>Total Assets</b>	<b>\$ 442,542,310</b>	<b>\$ 442,996,391</b>	<b>\$ 390,671,233</b>	<b>\$ 184,171,256</b>
<b>LIABILITIES &amp; NET ASSETS</b>				
<b>Current Liabilities:</b>				
Incurring But Not Reported	\$ 61,456,059	\$ 57,561,903	\$ 54,084,060	\$ 40,304,158
Claims Payable	6,002,510	11,835,727	12,708,417	9,482,660
Capitation Payable	27,247,178	31,772,366	37,186,547	12,444,575
Physician ACA 1202 Payable	10,965,642	10,965,642	10,965,642	12,765,516
AB 85 Payable	3,243,135	1,706,301	5,413,364	2,325,587
Accounts Payable	5,166,071	769,423	427,576	2,875,709
Accrued ACS	0	3,066,737	2,876,754	0
Accrued Expenses	9,437,545	26,184,994	6,212,442	5,748,120
Accrued Premium Tax	4,047,112	9,324,756	5,863,776	15,925,782
Accrued Interest Payable	80,835	77,588	73,998	42,062
Current Portion of Deferred Revenue	345,000	383,333	421,667	460,000
Accrued Payroll Expense	881,101	860,619	707,576	760,032
<b>Total Current Liabilities</b>	<b>128,872,189</b>	<b>154,509,388</b>	<b>136,941,818</b>	<b>103,134,200</b>
<b>Long-Term Liabilities:</b>				
DHCS - Reserve for Capitation Recoup	189,686,725	174,218,172	143,810,602	24,970,000
Other Long-term Liability-Deferred Rent	549,751	516,310	482,868	71,845
Deferred Revenue - Long Term Portion	0	0	0	460,000
Notes Payable	7,200,000	7,200,000	7,200,000	7,200,000
<b>Total Long-Term Liabilities</b>	<b>197,436,476</b>	<b>181,934,481</b>	<b>151,493,470</b>	<b>32,701,845</b>
<b>Total Liabilities</b>	<b>326,308,665</b>	<b>336,443,869</b>	<b>288,435,288</b>	<b>135,836,045</b>
<b>Net Assets:</b>				
Beginning Net Assets	99,945,264	99,945,264	99,945,264	4,691,101
Total Increase / (Decrease in Unrestricted Net /	16,288,381	6,607,258	2,290,680	43,644,110
<b>Total Net Assets</b>	<b>116,233,646</b>	<b>106,552,522</b>	<b>102,235,944</b>	<b>48,335,211</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 442,542,310</b>	<b>\$ 442,996,391</b>	<b>\$ 390,671,233</b>	<b>\$ 184,171,256</b>

<b>FINANCIAL INDICATORS</b>				
Current Ratio	3.24 : 1	2.7 : 1	2.67 : 1	1.77 : 1
Days Cash on Hand	217	209	111	116
Days Cash + State Capitation Rec	257	244	229	347
Days Cash + State Capitation Rec (less Tax Li	255	238	225	316

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THREE MONTHS ENDING SEPTEMBER 30, 2015**

	September 15 Year-To-Date		Variance
	Actual	Budget	Fav / (Unfav)
<b>Membership (includes retro members)</b>	578,056	574,816	3,240
<b>Revenue</b>			
Premium	\$ 174,257,049	\$ 173,861,062	\$ 395,987
Reserve for Rate Reduction	(4,550,000)	(11,838,117)	7,288,117
MCO Premium Tax	(6,861,372)	(6,379,653)	(481,719)
<b>Total Net Premium</b>	<b>162,845,677</b>	<b>155,643,292</b>	<b>7,202,385</b>
<b>Other Revenue:</b>			
Miscellaneous Income	115,000	115,000	(0)
<b>Total Other Revenue</b>	<b>115,000</b>	<b>115,000</b>	<b>(0)</b>
<b>Total Revenue</b>	<b>162,960,677</b>	<b>155,758,292</b>	<b>7,202,385</b>
<b>Medical Expenses:</b>			
<u>Capitation (PCP, Specialty, Kaiser, NEMT &amp; Vision)</u>	22,804,688	18,059,595	(4,745,093)
<u>FFS Claims Expenses:</u>			
Inpatient	28,007,866	28,910,524	902,658
LTC / SNF	24,728,789	26,957,229	2,228,440
Outpatient	9,760,595	9,370,654	(389,941)
Laboratory and Radiology	935,850	657,905	(277,945)
Emergency Room	4,154,106	3,824,321	(329,785)
Physician Specialty	10,555,760	12,269,573	1,713,813
Primary Care Physician	3,404,304	3,897,110	492,806
Home & Community Based Services	3,418,639	3,690,188	271,549
Applied Behavior Analysis Services	136,714	164,194	27,480
Mental Health Services	1,414,410	1,314,420	(99,990)
Pharmacy	21,964,581	22,450,336	485,755
Adult Expansion Reserve	0	0	0
Provider Reserve	0	1,692,821	1,692,821
Other Medical Professional	422,663	609,225	186,562
Other Medical Care	398	0	(398)
Other Fee For Service	1,561,896	1,776,835	214,939
Transportation	339,754	421,026	81,272
<b>Total Claims</b>	<b>110,806,325</b>	<b>118,006,361</b>	<b>7,200,036</b>
Medical & Care Management Expense	3,973,407	5,118,660	1,145,253
Reinsurance	821,510	807,914	(13,595)
Claims Recoveries	(560,693)	0	560,693
<b>Sub-total</b>	<b>4,234,224</b>	<b>5,926,574</b>	<b>1,692,351</b>
<b>Total Cost of Health Care</b>	<b>137,845,237</b>	<b>141,992,530</b>	<b>4,147,293</b>
<b>Contribution Margin</b>	<b>25,115,440</b>	<b>13,765,762</b>	<b>11,349,678</b>
<b>General &amp; Administrative Expenses:</b>			
Salaries and Wages	2,205,774	2,466,590	260,816
Payroll Taxes and Benefits	586,415	728,922	142,507
Travel and Training	41,385	153,828	112,443
Outside Service - ACS	4,607,371	4,446,965	(160,406)
Outside Services - Other	426,703	509,933	83,230
Accounting & Actuarial Services	45,930	135,000	89,070
Legal	155,856	262,500	106,644
Insurance	100,593	81,504	(19,089)
Lease Expense - Office	198,103	260,820	62,717
Consulting Services	174,834	340,724	165,890
Advertising and Promotion	42,083	20,730	(21,353)
General Office	420,338	758,272	337,934
Depreciation & Amortization	61,278	84,531	23,253
Printing	8,441	52,315	43,874
Shipping & Postage	13,779	53,492	39,713
Interest	65,210	63,757	(1,453)
<b>Total G &amp; A Expenses</b>	<b>9,154,093</b>	<b>10,419,883</b>	<b>1,265,790</b>
<b>Total Operating Gain / (Loss)</b>	<b>\$ 15,961,348</b>	<b>\$ 3,345,879</b>	<b>\$ 12,615,469</b>
<b>Non Operating</b>			
Revenues - Interest	337,158	300,000	37,158
Expenses - Interest	10,124	8,253	(1,871)
<b>Total Non-Operating</b>	<b>327,034</b>	<b>291,747</b>	<b>35,287</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>\$ 16,288,381</b>	<b>\$ 3,637,626</b>	<b>\$ 12,650,756</b>
Net Assets, Beginning of Year	99,945,264		
Net Assets, End of Year	<u>116,233,646</u>		

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

	FY 2014-15	FY 2015-16 Monthly Trend		Current Month		
	JUN 15	JUL 15	AUG 15	SEPTEMBER 2015		Variance
				Actual	Budget	Fav / (Unfav)
<b>Membership (includes retro members)</b>	194,664	189,314	193,867	194,875	192,704	2,171
<b>Revenue:</b>						
Premium	\$ 57,237,879	\$ 54,776,298	\$ 57,880,936	\$ 61,599,815	\$ 58,490,894	\$ 3,108,921
Reserve for Rate Reduction	27,500,000	(2,840,000)	(350,000)	(1,360,000)	(4,016,122)	2,656,122
MCO Premium Tax	(3,344,080)	(2,156,817)	(2,279,062)	(2,425,493)	(2,144,944)	(280,549)
<b>Total Net Premium</b>	<b>81,393,799</b>	<b>49,779,481</b>	<b>55,251,874</b>	<b>57,814,322</b>	<b>52,329,828</b>	<b>5,484,494</b>
<b>Other Revenue:</b>						
Miscellaneous Income	38,333	38,333	38,333	38,333	38,334	1
<b>Total Other Revenue</b>	<b>38,333</b>	<b>38,333</b>	<b>38,333</b>	<b>38,333</b>	<b>38,334</b>	<b>1</b>
<b>Total Revenue</b>	<b>81,432,133</b>	<b>49,817,814</b>	<b>55,290,207</b>	<b>57,852,656</b>	<b>52,368,162</b>	<b>5,484,495</b>
<b>Medical Expenses:</b>						
Capitation (PCP, Specialty, Kasier, NEMT & Vision)	57,292,433	6,642,386	8,374,655	7,787,648	6,083,503	(1,704,145)
<b>FFS Claims Expenses:</b>						
Inpatient	7,345,269	7,760,571	12,017,812	8,229,483	9,739,093	1,509,610
LTC / SNF	6,314,577	9,162,478	7,700,632	7,865,679	9,022,589	1,156,910
Outpatient	7,358,224	4,014,644	2,643,296	3,102,655	3,151,486	48,831
Laboratory and Radiology	(2,687,938)	243,129	285,529	407,192	221,548	(185,644)
Emergency Room	2,005,556	1,346,738	1,469,605	1,337,763	1,285,248	(52,515)
Physician Specialty	10,079,684	3,621,741	3,229,913	3,704,106	4,130,356	426,250
Primary Care Physician	(8,639,511)	1,005,439	1,152,060	1,246,805	1,308,164	61,359
Home & Community Based Services	1,287,871	860,648	1,314,514	1,243,477	1,235,144	(8,333)
Applied Behavior Analysis Services	27,547	39,965	47,436	49,314	164,194	114,880
Mental Health Services	703,182	810,272	259,327	344,811	441,640	96,829
Pharmacy	6,691,948	6,839,470	7,245,754	7,879,357	7,550,561	(328,796)
<b>Adult Expansion Reserve</b>	<b>8,100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Provider Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>568,313</b>	<b>568,313</b>
Other Medical Professional	16,819	135,125	111,134	176,404	204,951	28,547
Other Medical Care	0	398	0	0	0	0
Other Fee For Service	(322,299)	590,364	401,396	570,136	596,220	26,084
Transportation	(764,134)	138,797	78,685	122,272	141,612	19,340
<b>Total Claims</b>	<b>37,516,794</b>	<b>36,569,779</b>	<b>37,957,093</b>	<b>36,279,454</b>	<b>39,761,119</b>	<b>3,481,665</b>
Medical & Care Management Expense	1,102,685	1,294,135	1,440,569	1,238,703	1,705,892	467,189
Reinsurance	(258,261)	271,171	273,383	276,955	272,308	(4,648)
Claims Recoveries	(84,767)	(107,976)	(202,687)	(250,030)	0	250,030
<b>Sub-total</b>	<b>759,657</b>	<b>1,457,331</b>	<b>1,511,265</b>	<b>1,265,628</b>	<b>1,978,200</b>	<b>712,572</b>
<b>Total Cost of Health Care</b>	<b>95,568,884</b>	<b>44,669,495</b>	<b>47,843,013</b>	<b>45,332,729</b>	<b>47,822,822</b>	<b>2,490,093</b>
<b>Contribution Margin</b>	<b>(14,136,751)</b>	<b>5,148,319</b>	<b>7,447,194</b>	<b>12,519,927</b>	<b>4,545,340</b>	<b>7,974,586</b>
<b>General &amp; Administrative Expenses:</b>						
Salaries and Wages	789,369	716,867	773,532	715,375	839,611	124,236
Payroll Taxes and Benefits	265,818	197,598	193,404	195,413	248,557	53,144
Travel and Training	38,926	10,754	12,243	18,388	42,233	23,845
Outside Service - ACS	1,488,853	1,397,235	1,632,136	1,578,000	1,490,557	(87,443)
Outside Services - Other	168,960	133,376	138,017	155,310	164,763	9,453
Accounting & Actuarial Services	10,000	40,000	0	5,930	45,000	39,070
Legal	173,994	99,724	91,347	(35,214)	87,500	122,714
Insurance	53,714	32,645	32,645	35,303	27,168	(8,135)
Lease Expense - Office	63,689	66,034	66,034	66,034	86,940	20,906
Consulting Services	45,523	16,942	87,665	70,228	121,374	51,146
Translation Services	7,143	0	0	0	0	0
Advertising and Promotion	17,774	28,023	5,613	8,447	9,640	1,193
General Office	221,608	148,784	151,257	120,298	194,058	73,760
Depreciation & Amortization	19,905	20,352	20,463	20,463	34,616	14,153
Printing	10,792	681	5,911	1,849	3,380	1,531
Shipping & Postage	29,252	12,809	87	883	3,879	2,996
Interest	39,373	19,745	28,058	17,407	21,363	3,956
<b>Total G &amp; A Expenses</b>	<b>3,444,694</b>	<b>2,941,567</b>	<b>3,238,411</b>	<b>2,974,114</b>	<b>3,420,639</b>	<b>446,525</b>
<b>Total Operating Gain / (Loss)</b>	<b>(17,581,445)</b>	<b>2,206,752</b>	<b>4,208,783</b>	<b>9,545,813</b>	<b>1,124,701</b>	<b>8,421,111</b>
<b>Non Operating:</b>						
Revenues - Interest	87,799	87,216	111,384	138,558	100,000	38,558
Expenses - Interest	2,743	3,287	3,590	3,247	2,695	(552)
<b>Total Non-Operating</b>	<b>85,056</b>	<b>83,929</b>	<b>107,794</b>	<b>135,311</b>	<b>97,305</b>	<b>38,006</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>(17,496,389)</b>	<b>2,290,680</b>	<b>4,316,578</b>	<b>9,681,123</b>	<b>1,222,006</b>	<b>8,459,117</b>
<b>Full Time Employees</b>				<b>164</b>	<b>193</b>	<b>29</b>

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

	JUN 15	JUL 15	AUG 15	SEPTEMBER 2015		Variance Fav / (Unfav)
				Actual	Budget	
<b>Membership (includes retro members)</b>	194,664	189,314	193,867	194,875	192,704	2,171
<b>Revenue:</b>						
Premium	294.03	289.34	298.56	316.10	303.53	12.57
Reserve for Rate Reduction	141.27	(15.00)	(1.81)	(6.98)	(20.84)	13.86
MCO Premium Tax	(17.18)	(11.39)	(11.76)	(12.45)	(11.13)	(1.32)
<b>Total Net Premium</b>	<b>418.12</b>	<b>262.95</b>	<b>285.00</b>	<b>296.67</b>	<b>271.56</b>	<b>25.12</b>
<b>Other Revenue:</b>						
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.20	0.20	0.20	0.20	0.20	(0.00)
<b>Total Other Revenue</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>	<b>(0.00)</b>
<b>Total Revenue</b>	<b>418.32</b>	<b>263.15</b>	<b>285.20</b>	<b>296.87</b>	<b>271.75</b>	<b>25.12</b>
<b>Medical Expenses:</b>						
Capitation (PCP, Specialty, Kasier, NEMT & Vision)	294.31	35.09	43.20	39.96	31.57	(8.39)
<b>FFS Claims Expenses:</b>						
Inpatient	37.73	40.99	61.99	42.23	50.54	8.31
LTC / SNF	32.44	48.40	39.72	40.36	46.82	6.46
Outpatient	37.80	21.21	13.63	15.92	16.35	0.43
Laboratory and Radiology	(13.81)	1.28	1.47	2.09	1.15	(0.94)
Emergency Room	10.30	7.11	7.58	6.86	6.67	(0.20)
Physician Specialty	51.78	19.13	16.66	19.01	21.43	2.43
Primary Care Physician	(44.38)	5.31	5.94	6.40	6.79	0.39
Home & Community Based Services	6.62	4.55	6.78	6.38	6.41	0.03
Applied Behavior Analysis Services	0.14	0.21	0.24	0.25	0.85	0.60
Mental Health Services	3.61	4.28	1.34	1.77	2.29	0.52
Pharmacy	34.38	36.13	37.37	40.43	39.18	(1.25)
<b>Adult Expansion Reserve</b>	<b>41.61</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Provider Reserve</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.95</b>	<b>2.95</b>
Other Medical Professional	0.09	0.71	0.57	0.91	1.06	0.16
Other Medical Care	0.00	0.00	0.00	0.00	0.00	0.00
Other Fee For Service	(1.66)	3.12	2.07	2.93	3.09	0.17
Transportation	(3.93)	0.73	0.41	0.63	0.73	0.11
<b>Total Claims</b>	<b>192.73</b>	<b>193.17</b>	<b>195.79</b>	<b>186.17</b>	<b>206.33</b>	<b>20.16</b>
Medical & Care Management Expense	5.66	6.84	7.43	6.36	8.85	2.50
Reinsurance	(1.33)	1.43	1.41	1.42	1.41	(0.01)
Claims Recoveries	(0.44)	(0.57)	(1.05)	(1.28)	0.00	1.28
<b>Sub-total</b>	<b>3.90</b>	<b>7.70</b>	<b>7.80</b>	<b>6.49</b>	<b>10.27</b>	<b>3.77</b>
<b>Total Cost of Health Care</b>	<b>490.94</b>	<b>235.95</b>	<b>246.78</b>	<b>232.62</b>	<b>248.17</b>	<b>15.54</b>
<b>Contribution Margin</b>	<b>(72.62)</b>	<b>27.19</b>	<b>38.41</b>	<b>64.25</b>	<b>23.59</b>	<b>40.66</b>
<b>General &amp; Administrative Expenses:</b>						
Salaries and Wages	4.06	3.79	3.99	3.67	4.36	0.69
Payroll Taxes and Benefits	1.37	1.04	1.00	1.00	1.29	0.29
Travel and Training	0.20	0.06	0.06	0.09	0.22	0.12
Outside Service - ACS	7.65	7.38	8.42	8.10	7.73	(0.36)
Outside Services - Other	0.87	0.70	0.71	0.80	0.86	0.06
Accounting & Actuarial Services	0.05	0.21	0.00	0.03	0.23	0.20
Legal	0.89	0.53	0.47	(0.18)	0.45	0.63
Insurance	0.28	0.17	0.17	0.18	0.14	(0.04)
Lease Expense - Office	0.33	0.35	0.34	0.34	0.45	0.11
Consulting Services	0.23	0.09	0.45	0.36	0.63	0.27
Translation Services	0.04	0.00	0.00	0.00	0.00	0.00
Advertising and Promotion	0.09	0.15	0.03	0.04	0.05	0.01
General Office	1.14	0.79	0.78	0.62	1.01	0.39
Depreciation & Amortization	0.10	0.11	0.11	0.11	0.18	0.07
Printing	0.06	0.00	0.03	0.01	0.02	0.01
Shipping & Postage	0.15	0.07	0.00	0.00	0.02	0.02
Interest	0.20	0.10	0.14	0.09	0.11	0.02
Other/ Miscellaneous Expenses	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total G &amp; A Expenses</b>	<b>17.70</b>	<b>15.54</b>	<b>16.70</b>	<b>15.26</b>	<b>17.75</b>	<b>2.49</b>
<b>Total Operating Gain / (Loss)</b>	<b>(90.32)</b>	<b>11.66</b>	<b>21.71</b>	<b>48.98</b>	<b>5.84</b>	<b>43.15</b>
<b>Non Operating:</b>						
Revenues - Interest	0.45	0.46	0.57	0.71	0.52	0.19
Expenses - Interest	0.01	0.02	0.02	0.02	0.01	(0.00)
<b>Total Non-Operating</b>	<b>0.44</b>	<b>0.44</b>	<b>0.56</b>	<b>0.69</b>	<b>0.50</b>	<b>0.19</b>
<b>Total Increase / (Decrease) in Unrestricted Net Assets</b>	<b>(89.88)</b>	<b>12.10</b>	<b>22.27</b>	<b>49.68</b>	<b>6.34</b>	<b>43.34</b>

## STATEMENT OF CASH FLOWS - FYTD

	SEP 15
Cash Flow From Operating Activities	
Collected Premium	\$ 277,182,765
Miscellaneous Income	337,158
State Pass Through Funds	27,822,597
<u>Paid Claims</u>	
Medical & Hospital Expenses	(92,352,803)
Pharmacy	(22,945,025)
Capitation	(33,246,845)
Reinsurance of Claims	(821,510)
State Pass Through Funds Distributed	(8,601,578)
Paid Administration	(11,024,447)
MCO Taxes Received / (Paid)	(9,142,976)
Net Cash Provided / (Used) by Operating Activities	<u>127,207,336</u>
Cash Flow From Investing / Financing Activities	
Net Acquisition of Investments	(95,024,478)
Net Acquisition of Property / Equipment	(24,321)
Net Cash Provided / (Used) by Investing / Financing	<u>(95,048,800)</u>
<b>Net Cash Flow</b>	<u><b>\$ 32,158,536</b></u>
Cash and Cash Equivalents (Beg. of Period)	57,218,141
Cash and Cash Equivalents (End of Period)	89,376,678
	<u><b>\$ 32,158,536</b></u>
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income / (Loss)	16,288,381
Depreciation & Amortization	103,753
Decrease / (Increase) in Receivables	65,906,221
Decrease / (Increase) in Prepaids & Other Current Assets	(906,345)
(Decrease) / Increase in Payables	2,588,272
(Decrease) / Increase in Other Liabilities	48,701,447
Change in MCO Tax Liability	405,539
Changes in Claims and Capitation Payable	(14,963,844)
Changes in IBNR	9,083,912
	<u>127,207,336</u>
<b>Net Cash Flow from Operating Activities</b>	<u><b>\$ 127,207,336</b></u>

0.00

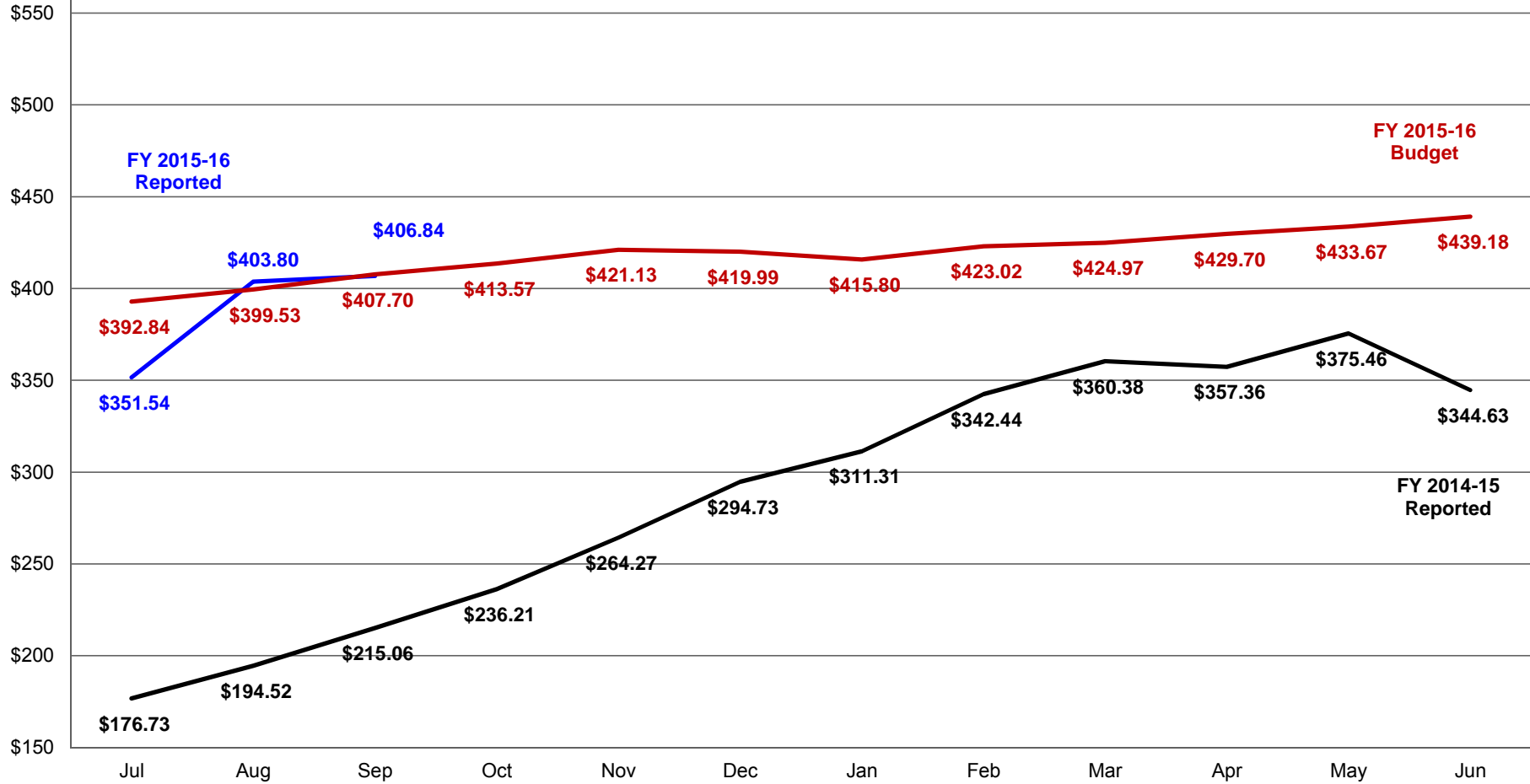


## STATEMENT OF CASH FLOWS - MONTHLY

	SEP 15	AUG 15	JUL 15
Cash Flow From Operating Activities			
Collected Premium	\$ 68,284,834	\$ 208,708,144	\$ 189,788
Miscellaneous Income	138,558	111,384	87,216
State Pass Through Funds	4,517,957	23,304,639	-
<u>Paid Claims</u>			
Medical & Hospital Expenses	(30,834,324)	(32,510,910)	(29,007,568)
Pharmacy	(7,880,591)	(7,757,457)	(7,306,977)
Capitation	(25,287,425)	(3,926,229)	(4,033,191)
Reinsurance of Claims	(276,955)	(273,383)	(271,171)
State Pass Through Funds Distributed	(3,244,866)	(5,356,712)	-
Paid Administration	(2,234,571)	(3,599,447)	(5,190,430)
MCO Tax Received / (Paid)	(9,135,503)	(7,473)	-
Net Cash Provided / (Used) by Operating Activities	<b>(5,952,886)</b>	<b>178,692,555</b>	<b>(45,532,334)</b>
Cash Flow From Investing / Financing Activities			
Net Acquisition of Investments	(14,743)	(125,006,621)	29,996,886
Net Acquisition of Property / Equipment	(11,131)	(3,995)	(9,195)
Net Cash Provided / (Used) by Investing / Financing Activities	<b>(25,874)</b>	<b>(125,010,616)</b>	<b>29,987,691</b>
<b>Net Cash Flow</b>	<b>\$ (5,978,760)</b>	<b>\$ 53,681,939</b>	<b>\$ (15,544,643)</b>
Cash and Cash Equivalents (Beg. of Period)	95,355,438	41,673,499	57,218,141
Cash and Cash Equivalents (End of Period)	89,376,678	95,355,438	41,673,499
	<b>\$ (5,978,760)</b>	<b>\$ 53,681,939</b>	<b>\$ (15,544,643)</b>
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	9,681,123	4,316,578	2,290,680
Depreciation & Amortization	34,621	34,621	34,510
Decrease / (Increase) in Receivables	(5,459,203)	126,773,620	(55,408,196)
Decrease / (Increase) in Prepaids & Other Current Assets	(74,222)	(440,845)	(391,278)
(Decrease) / Increase in Payables	(13,856,973)	16,953,951	(508,706)
(Decrease) / Increase in Other Liabilities	15,463,661	30,402,678	2,835,108
Changes in Withhold / Risk Incentive Pool	-	-	-
Change in MCO Tax Liability	(5,277,645)	3,460,981	2,222,203
Changes in Claims and Capitation Payable	(10,358,404)	(6,286,871)	1,681,431
Changes in IBNR	3,894,156	3,477,842	1,711,914
	<b>(5,952,886)</b>	<b>178,692,555</b>	<b>(45,532,334)</b>
<b>Net Cash Flow from Operating Activities</b>	<b>(5,952,886)</b>	<b>178,692,555</b>	<b>(45,532,334)</b>

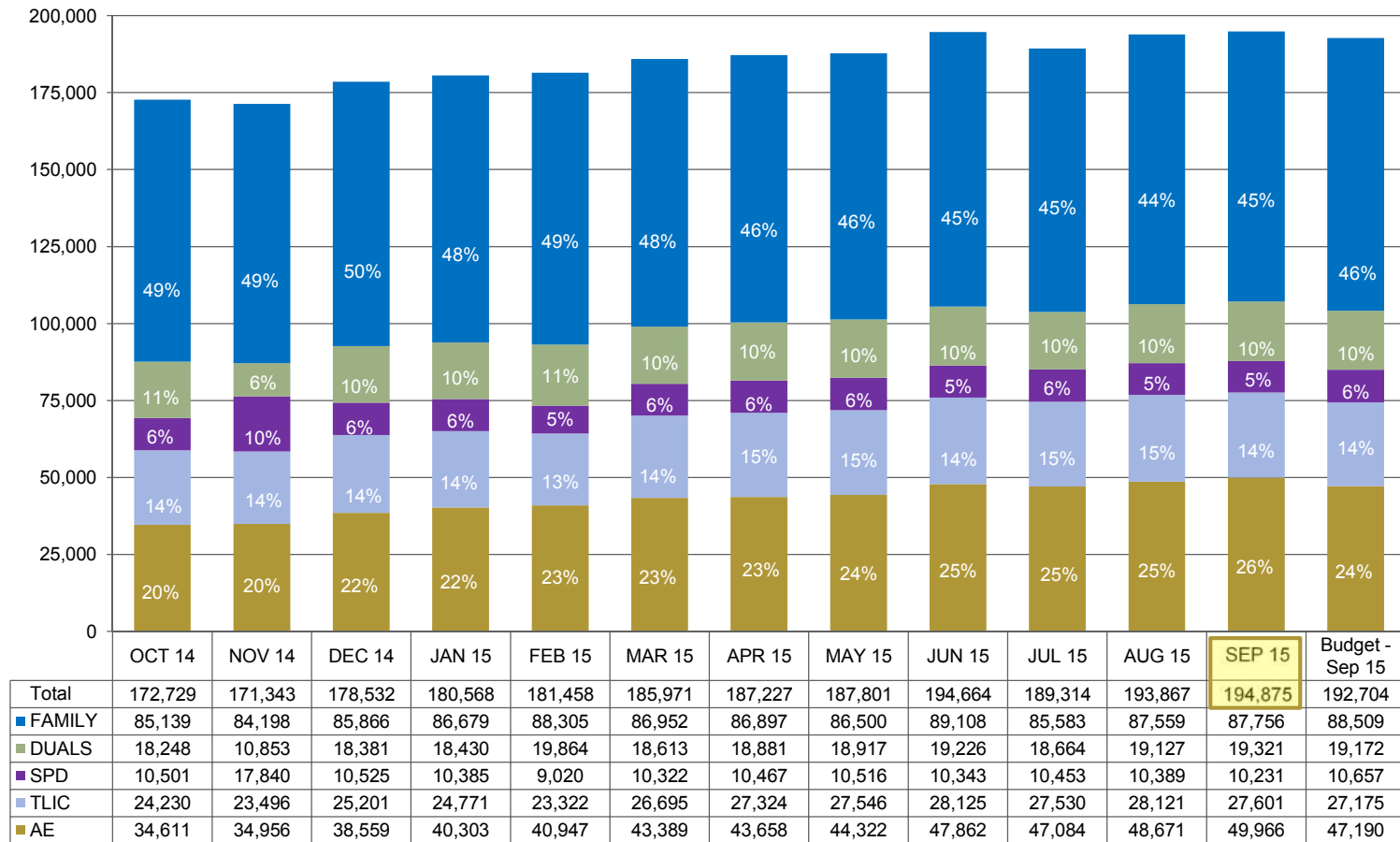
**GOLD COAST HEALTH PLAN  
SEPTEMBER 2015**

**Cash + Medi-Cal Receivable Trend (\$ in Millions)  
(Net of MCO Tax Liability and excludes pass-through funds)**



# GOLD COAST HEALTH PLAN

## Membership - Rolling 12 Month

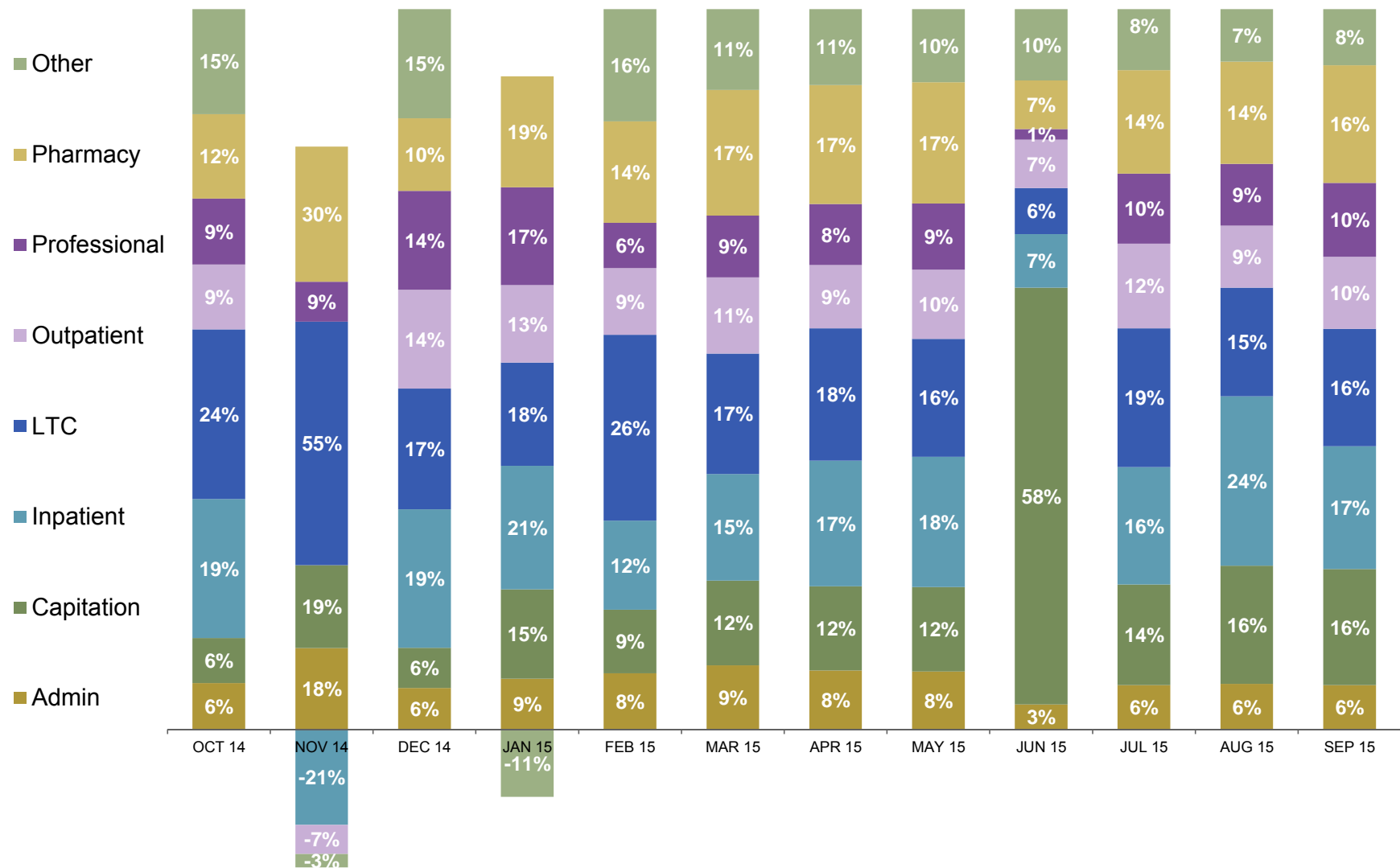


**SPD = Seniors and Persons with Disabilities TLIC = Targeted Low Income Children AE = Adult Expansion**

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

## GOLD COAST HEALTH PLAN

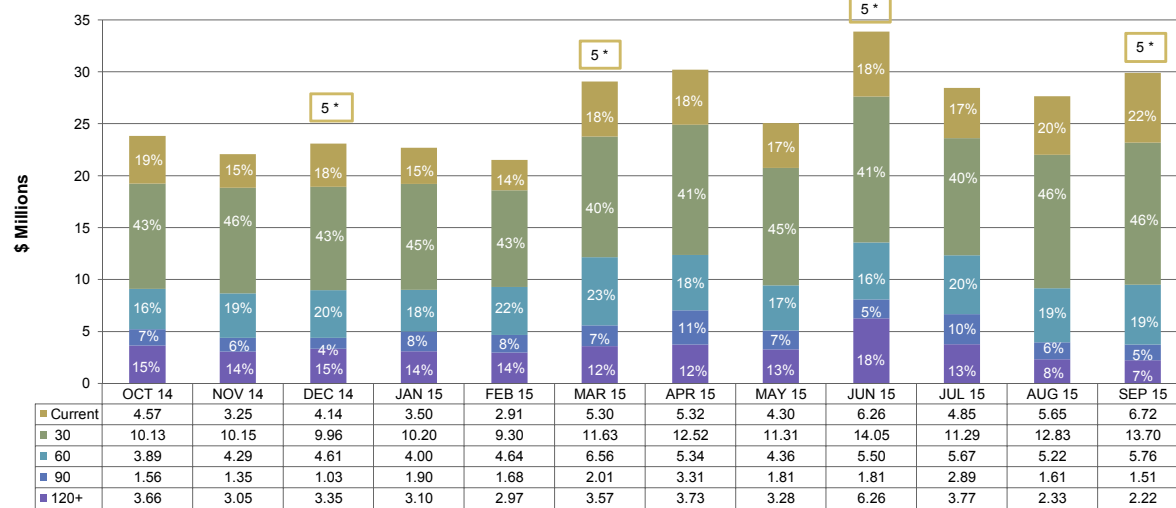
### Total Expense Composition



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

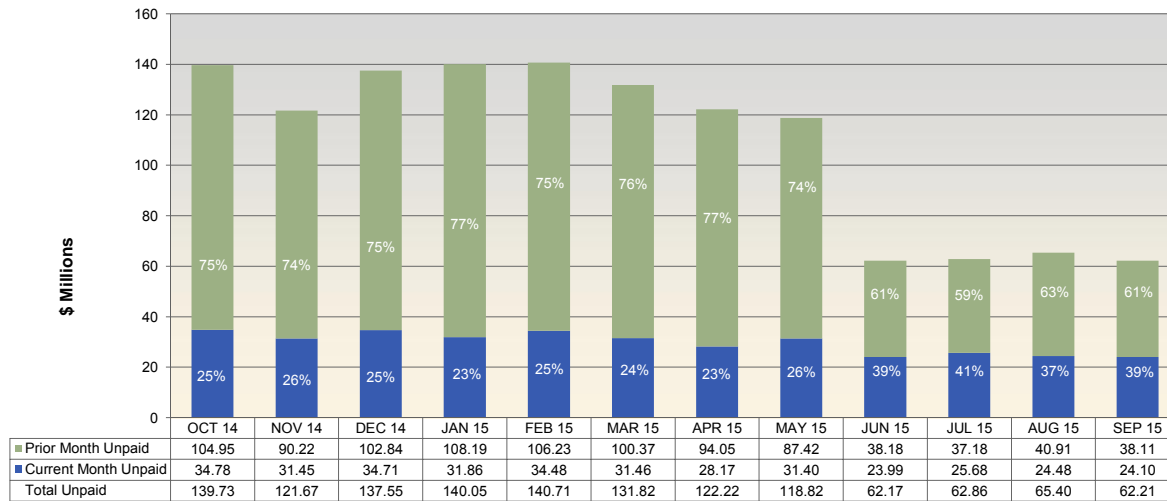
**GOLD COAST HEALTH PLAN  
SEPTEMBER 2015**

**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.

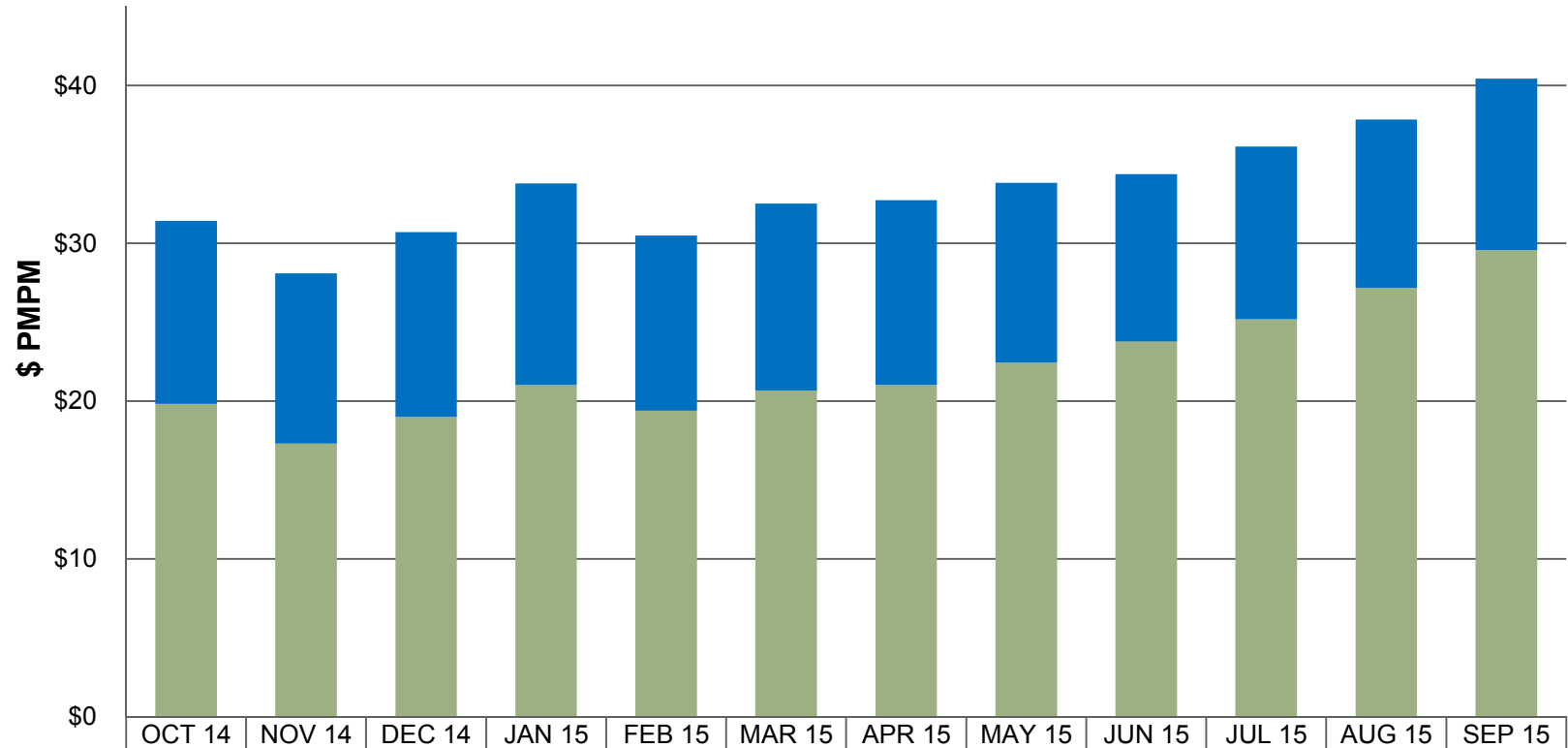
**IBNP Composition (excluding Pharmacy and Capitation)**



**Note: IBNP Composition** - reflects updated medical cost reserve calculation plus total system claims payable.  
June 2015 - reflects the Enhanced Adult Capitation program and reclassification of fee-for-service expense to capitation expense.

## GOLD COAST HEALTH PLAN

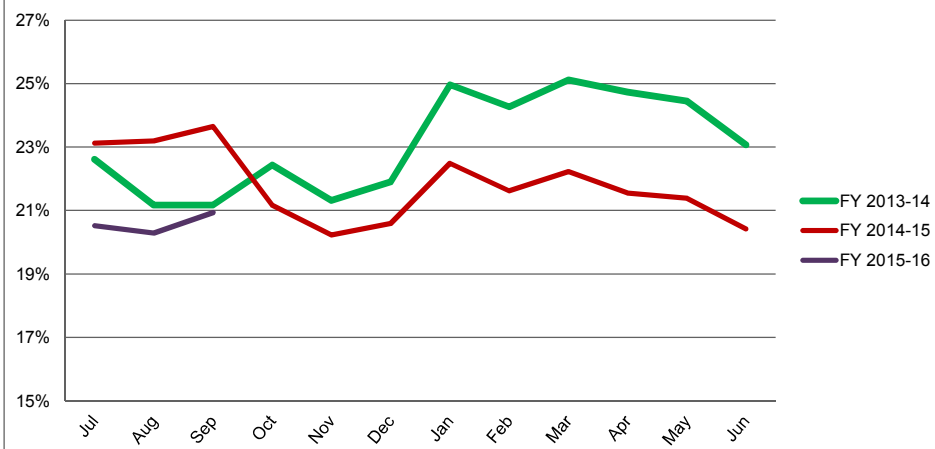
**Pharmacy Cost Trend**



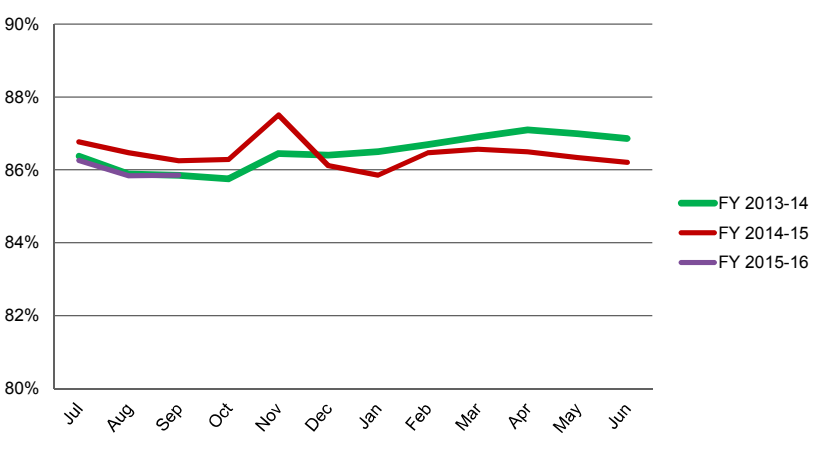
	OCT 14	NOV 14	DEC 14	JAN 15	FEB 15	MAR 15	APR 15	MAY 15	JUN 15	JUL 15	AUG 15	SEP 15
AVG PMPM	\$31.41	\$28.09	\$30.71	\$33.79	\$30.49	\$32.51	\$32.74	\$33.84	\$34.38	\$36.13	\$37.84	\$40.43
GENERIC	\$11.58	\$10.78	\$11.71	\$12.77	\$11.09	\$11.83	\$11.71	\$11.39	\$10.60	\$10.94	\$10.66	\$10.86
BRAND	\$19.83	\$17.31	\$19.01	\$21.02	\$19.40	\$20.68	\$21.03	\$22.45	\$23.78	\$25.19	\$27.18	\$29.58

GOLD COAST HEALTH PLAN  
PHARMACY ANALYSIS

Percent Utilizing Members

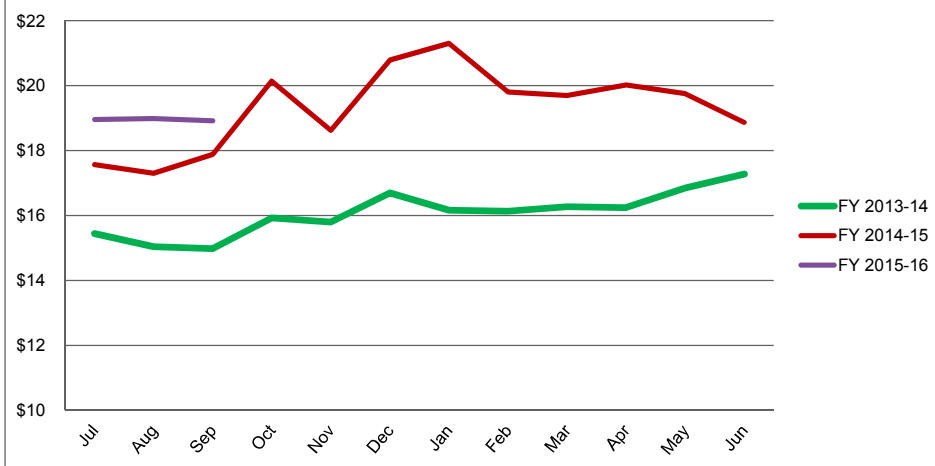


Generic Utilization Rate



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

Generic Drugs: Cost per Script



Brand Drugs: Cost per Script

