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

DATE: **Thursday,** September 6, 2012
TIME: 3:00 p.m.
PLACE: 1000 Town Center Drive, 6th Floor, Oxnard, CA
Nordman Cormany Hair & Compton LLP - Conference Room

Call to Order, Welcome and Roll Call

Public Comment / Correspondence

1. **Approve Minutes**
   a. July 19, 2012 Regular Meeting Minutes

2. **Accept and File CEO Update** *(verbal)*

3. **Accept and File Financial Report**
   a. June Financials
   b. July Financials
   c. Benefits Analysis

4. **CBAS Contract**

Comments from Committee Members

Adjourn

Unless otherwise determined by the Commission, the next regular meeting of the Executive Finance Committee Meeting will be held on October 4, 2012 at 3:00 p.m. at 2240 E. Gonzales Road, Suite 280, 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 805/981-5340. REASONABLE ADVANCE NOTIFICATION OF THE NEED FOR ACCOMMODATION PRIOR TO THE MEETING (48 HOURS ADVANCE NOTICE IS PREFERABLE) WILL ENABLE US TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING

Ventura County Medi-Cal Managed Care Commission (VCMMCC) dba Gold Coast Health Plan (GCHP) Executive / Finance Committee Meeting Minutes July 19, 2012

(Not official until approved)

CALL TO ORDER

Chair Gonzalez called the meeting to order at 1:36 p.m. in Suite 230 at the Ventura County Public Health Building located at 2240 E. Gonzalez Road, Oxnard, CA 93036.

ROLL CALL

COMMITTEE MEMBERS PRESENT
Robert Gonzalez, MD, Ventura County Health Care Agency
David Glyer, Private Hospitals / Healthcare System
Catherine Rodriguez, Ventura County Medical Health System

EXCUSED / ABSENT MEMBERS
Roberto S. Juarez, Clinicas del Camino Real, Inc.
Anil Chawla, MD, Clinicas del Camino Real, Inc.

STAFF IN ATTENDANCE
Cassie Undlin, Interim Chief Executive Officer
Sonia DeMarta, Interim Chief Financial Officer
Nancy Kierstyn Schreiner, Legal Counsel (left at 3:45 p.m.)
Traci R. McGinley, Clerk of the Board
Paula Cabral, Administrative Assistant

PUBLIC COMMENT

None.

1. APPROVAL OF MINUTES

Committee Member Rodriguez moved to approve the Minutes of the May 17, 2012 and June 21, 2012 Committee Meetings. Committee Member Glyer seconded. The motion carried. **Approved 3-0.**

2. ACCEPT AND FILE CEO UPDATE

Interim CEO Undlin informed the Committee that Margaret Tatar from the Department of Healthcare Services would be visiting the Plan on Friday, June 20, 2012, and she would provide an update at a later date.

Interim CEO Undlin reported that staff was producing a dashboard of ACS requirements according to their contract. A Vendor Operations Manager, Luis Aguilar, has been hired to handle the day to day relationship with ACS, there will be an onsite visit to the Kentucky call center during the week of July 23rd.

Interim CEO Undlin advised the Commissioners that the State is no longer retroactively adding members to COHS; therefore Providers need to bill the State directly until Members become active on the first of the month. It appears that the State did not communicate to their constituency so GCHP will be using a bulletin to get the information out to Providers about the change.

Interim CEO Undlin noted that Commissioner Eberst previously requested that the claims be further investigated. The evaluation is still underway; but issues determined to date are: cross-over claims for Medicare and Medi-Cal coverage are being done manually, there have been some over-payments to long-term care facilities, there is a large backlog, there are also issues with the pre-authorizations for services and conducting those services; as well as issues of the startup implementation. Interim CEO Undlin closed stating that a fairly extensive log has been developed on the claims and what the root causes are, but also how and / or why the error occurred or was created.

3. ACCEPT AND FILE FINANCIAL REPORT

a. May Financials

Interim CFO DeMarta reviewed the year-end expenses and noted that they only went through July 19, 2012 so the figures would change. Membership had a minor increase up to 105,875; Revenue was up slightly to $240 pmpm (per member per month). The biggest fluctuation was in Health Care Costs, May's Health Care Costs included an additional $3 million in IBNR (incurred but not reported) reserves and June's expenses were reduced from previous months because the expected receivables were booked from the reinsurance company for approximately $1.3 million and an additional $500,000 from refunds of over-payments from Providers.

Interim CFO DeMarta continued, stating that Health Care Costs YTD (year-to-date) are 90% of the expenses. Administrative Expenses declined slightly in April and May; however, there was an increase in costs due to the purchase of cubicles. YTD Administrative Costs were at 6.1%, Net Income for the month was up $2.4 million for a total Net Income for the year of 3.9%. As of the end of June the required TNE is 20% so we have met the requirements (July 1st we must be at 36%).

Interim CFO DeMarta reviewed the charts showing the claims reserves are up and the claims payable is down (due to processing backlog). Pharmacy Encounter is holding steady, our percentage distribution of Health Care expenditure is fairly consistent with previous months.

Interim CFO DeMarta noted that staff and Berkeley Research Group (BRG) are looking at IBNR. Milliman is doing an assessment for May and June and has provided a

preliminary letter of recommendation to continue to use the book to budget methodology going forward as we still are unsure how many claims are still outstanding from July 2011, overpayments and returns.

Concern was raised about book to budget and the fact that we have had two extra increases in IBNR. Interim CFO DeMarta noted that IBNR is currently approximately $6.5 million. Chair Gonzalez reminded the Commission that the numbers for this first year were based on hypothetical figures.

Interim CFO DeMarta reviewed the Balance Sheet, the total cash on hand for last month was $23.7 million and the decrease in that is because the capitation payment check did not come until the beginning of July. Provider Receivables include advances to from Providers and refund overpayment that we requested. The Other Receivables are from vendors, one of which is ACS. Total Account Receivables are $36.1 million. IBNR is higher this month. We continue to book premium reduction rate adjustments 2011 / 2012. Other claim payable expenses are fairly consistent. Payment of $1.8 million was paid in June for taxes.

Interim CFO DeMarta reviewed the Income Statement. Capitation is consistent with previous months. Administrative Costs, Salaries and Wages went down. Interest expenses for the month and outstanding claims payable are up.

Interim CFO DeMarta noted that we are coming in ahead of budget Premium review, Health Care costs by $6 million and Administrative costs by $2 million, net income of $1.8 million favorable to budget. Variances – largest item is in health care costs and decrease due to refunds. Consultant variances are due to BRG, legal expenses due to volume of activity, and Tatum.

Interim CFO DeMarta noted that the Membership mix is higher and lower capitation rates for long-term care. Medi-Cal rates are still used, but other fees for services are the same as Milliman projections. These rates were built by the prior leadership which lumped four major categories together and the initial budget was based on that – which drives some of the changes.

Interim CFO DeMarta reviewed the Heath Dollar Claims Paid, 19 Members fall into that category. Acute care, LTC and Other costs of the $10 million in high dollar costs or four-five percent (45%) of the total. We have some that are $350,000 and higher. One Member was over $1 million.

Interim CFO DeMarta closed stating that there are thirty-five (35) Members on the transplant list; twenty-five (25) are in pre-procedures and ten (10) in post-procedure mostly kidney versus liver.

b. Budget

Interim CFO DeMarta reported that the State had not sent the rates for the year. Based on the budget level we anticipate 3.7% in rate cuts. Discussion was held regarding AB 97, it was to be 10% but it has not yet been decided so it has not been passed on to the Providers.

Interim CFO DeMarta reviewed membership figures; she stated that Milliman is working on a letter about losing retroactive members. Also, there will be a growth in membership with picking up 16,000 in Healthy Families and 1,000 CBAS members in October. We expect 35-40 new members over the next 12 months. Medical management will remain in ACS.

Discussion was held regarding the number of employees currently at the Plan. Interim CEO Undlin stressed that that a lot of problems existed due to the Plan being under staffed.

Chair Gonzalez suggested that Interim CFO DeMarta present the budget as discussed to the Commission with AB 97; but do an analysis explaining that if you took out AB 97 we will have this amount of additional revenue to apply to mitigate the cut to the Provider.

Committee Members requested staffing levels versus other COHS, removal of contingency line, detailing of employee costs, mix of revenue assumption, create a line item for Provider Repayment to remove it from Reinsurance.

Interim CEO Undlin explained that the staffing information would be presented in the Human Resources Committee Meeting (which Juarez and Rodriguez are members).

4. SPACE

There was a discussion regarding Conflict of Interest for issues for employees of the County of Ventura.

5. CONTRACT REVIEW

a. Consideration and Recommendation to Commission of Extension of Tatum Contract

Interim CEO Undlin reviewed the proposal for an extension of her services through October 31, 2012 to assist with the transition of the new CEO; there are still a lot of issues. Project management expenses for the specialty contract and will require the extension of the Tatum individual that is working on that project. A different Tatum staff person would continue to work on the ACS contract; her work is in the day to day. She continued, stating that as she previously noted a new staff member was brought in but he needs to be trained, then she can slowly back out (except for the high level discussions).

Chair Gonzalez reminded Interim CEO Undlin that she would be working on the specialty contract should it be approved; therefore it should be added to this at this time.

Interim CEO Undlin noted that by the end of the month it will be over the $320,000. The additional amount would be approximately $331,000. Chair Gonzalez clarified that the total engagement would be approximately $600,000.

Committee Member Rodriguez asked for the scope of service for the Project Management of the Specialty Contract and the Vendor Contract Management. Tatum informed them they did not exist at this time.

Committee Member Rodriguez moved to approve Tatum's contract extension to October 31, 2012, amend the contract for additional services for Project Management of the Specialty Contract and recommend approval to the Commission. Commissioner Glyer seconded. The motion carried. **Approved 3-0.**

6. CONSIDERATION AND RECOMMENDATION TO THE COMMISSION OF COSTS ASSOCIATED WITH IMPLEMENTING SPECIALTY CONTRACT

Interim CEO Undlin explained that what was before the Committee was the product of a meeting between Gold Coast, ACS, Clinicas and Platinum (a vendor of Clinicas) who took the Specialty Contract (which includes the Primary Care CAP and Specialty CAP). She stated that the outside person was present to have an objective view of the process and to challenge all three sites objectively. There are issues on what it will take and how much work there will be; how much processes must be in place. We felt it was important that it was not decided by the vendor since the vendor (ACS) will be required to implement the changes.

Committee Member Glyer asked what the purpose of this was contract was. Interim CEO Undlin explained that the business purpose is to build the ability for providers to take primary and specialty CAP and manage the specialty services and take the risk as well as primary care.

It was noted that Clinicas has developed its own network of specialty and primary providers and this is a good example of sharing the risk.

Interim CEO Undlin explained that we looked at the project plan and detailed what it would cost. The Plan would pay an estimated $343,000. Clinicas specific is $55,760, and any "clinic" that wished to do this would need to pay a clinic specific cost.

Interim CEO Undlin was asked why she was recommending this, she responded that when utilization management is delegated to the Providers, that is where the Plan can get the savings in health care. The Provider is responsible for the services that are delivered; it is set up so they understand that it is not a fee for service to the Plan to do all the services that are done. In the utilization management, gives the ability to contract out at a lower rate.

Committee Member Glyer stated that typically when costs are capitated you are trying to reduce costs; he requested to see the analysis of the benefits to the Plan. He asked the other Committee Members if they support this.

Chair Gonzalez expressed his support; he stated that it was his belief that the efficiency of care, when managed by the providers themselves is probably a little better. There was a lot of work done to validate what the rates were that would be passed on as capitation such that the Plan ended up in good shape financially and the provider had the potential to do their good work and stay in fiscal balance. Milliman analysis evaluated this relationship and the costs and validated it. When you see this it is about the implementation.

Interim CEO Undlin explained to Committee Member Glyer that there are other benefits that will occur to the Plan that are not financial, it will be operational. It is a reflection of the type of organization the Plan is, COHS it has to reflect the needs of the community. Chair Gonzalez added that the contract template did come before the Commission and it was approved.

Committee Member Rodriguez moved to recommend to the Commission. Commissioner Glyer seconded. The motion carried. **Approved 3-0.**

7. UPDATE REGARDING CLAIMS PROCESS

Interim CEO Undlin explained that she previously reviewed this item.

8. ESTABLISH AUDIT COMMITTEE

Interim CEO Undlin reported that it is important to make sure the Commission is part of the workings of the Plan and part of that is establishing an Audit Committee, a subcommittee of the Executive / Finance Committee. We would like to have one member from the Executive / Finance Committee, one member from the Commission and two outside individuals. After discussion Committee Member Glyer agreed to be on the committee as well chair the committee.

Committee Member Rodriguez moved to establish the Audit Committee and forward it to the Commission. Committee Member Glyer seconded. The motion carried. **Approved 3-0.**

9. ESTABLISH EXECUTIVE / FINANCE MEETING SCHEDULE

Committee Member Glyer moved to reschedule the Executive / Finance Meeting to the first Thursday of the month. Committee Member Rodriguez seconded. The motion carried. **Approved 3-0**.

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

The meeting adjourned at 4:45 p.m.

GOLD COAST HEALTH PLAN

SUMMARY FINANCIAL RESULTS

Twelve 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	JUN 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	105,875	1,258,189
Revenue	**24,678,298**	**25,035,423**	**23,740,361**	**25,199,998**	**24,946,694**	**25,440,875**	**24,990,447**	**24,231,927**	**25,411,162**	**25,427,262**	**25,299,965**	**25,447,390**	**299,849,801**
pmpm	*241.87*	*241.45*	*226.48*	*239.44*	*237.64*	*242.11*	*239.33*	*231.13*	*238.60*	*241.14*	*240.35*	*240.35*	*238.32*
Health Care Costs	**20,722,297**	**21,245,838**	**21,839,899**	**22,065,987**	**22,003,480**	**22,415,249**	**22,121,202**	**26,111,143**	**23,045,202**	**22,918,149**	**24,107,688**	**23,225,105**	**271,821,240**
pmpm	*203.09*	*204.90*	*208.35*	*209.66*	*209.60*	*213.32*	*211.85*	*249.06*	*216.38*	*217.34*	*229.03*	*219.36*	*216.04*
% of Revenue	84.0%	84.9%	92.0%	87.6%	88.2%	88.1%	88.5%	107.8% (1)	90.7%	90.1%	95.3% (2)	91.3% (3)	90.7%
Admin Exp	**1,341,729**	**1,354,008**	**1,413,721**	**1,672,837**	**1,084,862**	**1,440,127**	**1,529,225**	**1,516,129**	**1,615,365**	**1,829,630**	**1,883,097**	**2,092,320**	**18,773,051**
pmpm	*13.15*	*13.06*	*13.49*	*15.89*	*10.33*	*13.71*	*14.65*	*14.46*	*15.17*	*17.35*	*17.89*	*19.76*	*14.92*
% of Revenue	5.4%	5.4%	6.0%	6.6%	4.3%	5.7%	6.1%	6.3%	6.4%	7.2%	7.4%	8.2%	6.3%
Net Income	**2,614,273**	**2,435,577**	**486,741**	**1,461,174**	**1,858,351**	**1,585,499**	**1,340,019**	**(3,395,346)**	**750,595**	**679,482**	**(690,820)**	**129,965**	**9,255,511**
pmpm	*25.62*	*23.49*	*4.64*	*13.88*	*17.70*	*15.09*	*12.83*	*(32.39)*	*7.05*	*6.44*	*(6.56)*	*1.23*	*7.36*
% of Revenue	10.6%	9.7%	2.1%	5.8%	7.4%	6.2%	5.4%	-14.0%	3.0%	2.7%	-2.7%	0.5%	3.1%
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	15,797,312	
Required TNE	-	-	-	-	-	-	3,020,215	3,123,132	3,137,037	3,146,072	3,158,710	3,159,462	
GCHP TNE	**(1,808,546)**	**627,031**	**1,113,773**	**2,574,946**	**4,433,298**	**6,018,797**	**7,358,815**	**3,963,469**	**4,714,065**	**5,393,547**	**4,702,727**	**4,832,692**	

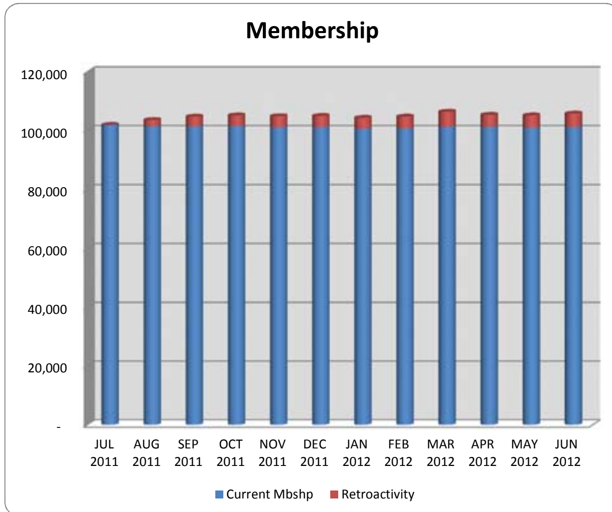
Note (1): February Health Care Costs include $4M added to reserves pursuant to updated Milliman IBNR methodology

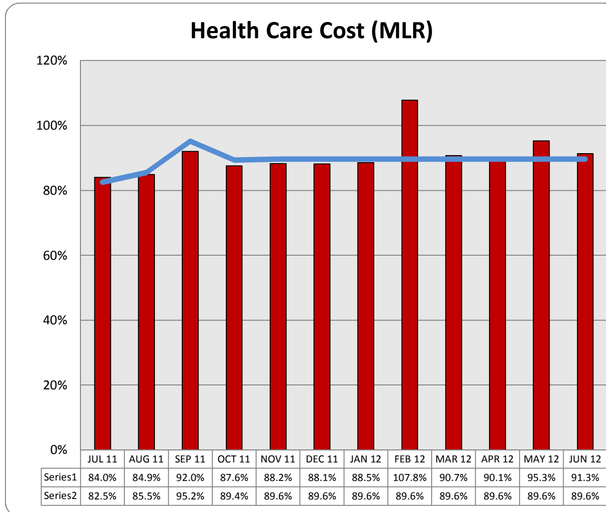
Note (2): May Health Care Costs include $3M added to reserves.

Note (3): June Health Care Costs include $2M added to IBNR

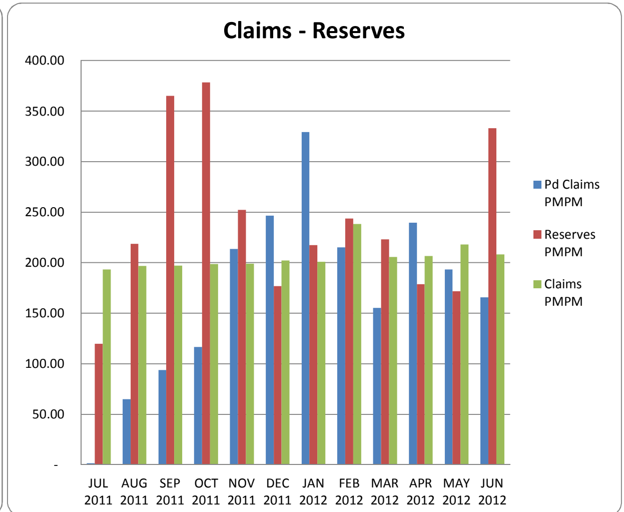
GOLD COAST HEALTH PLAN

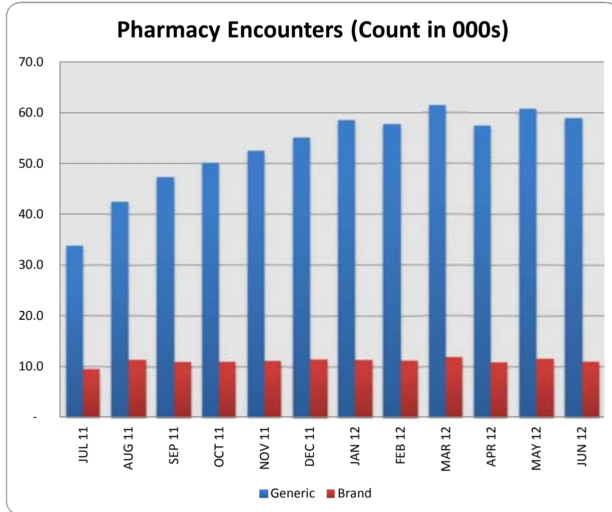
Financial Scorecard - June 2012

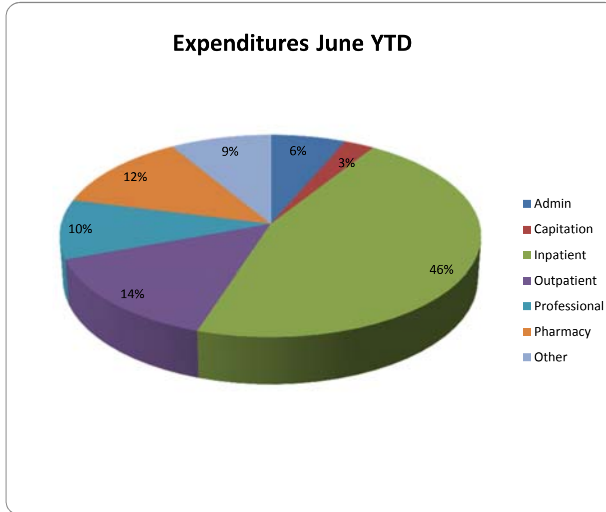


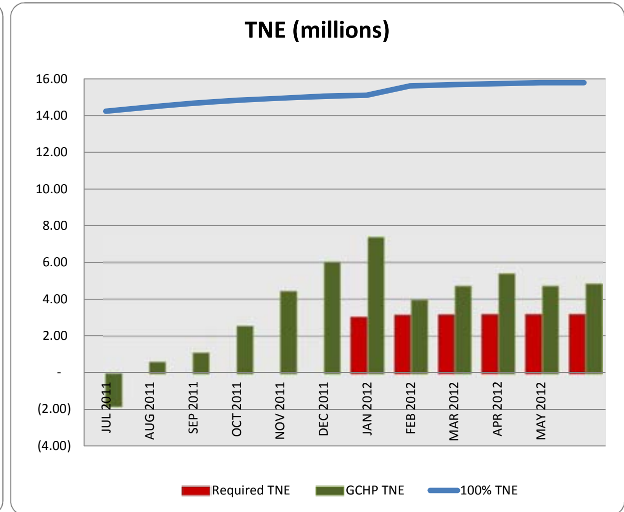


	JUL 11	AUG 11	SEP 11	OCT 11	NOV 11	DEC 11	JAN 12	FEB 12	MAR 12	APR 12	MAY 12	JUN 12
Series1	84.0%	84.9%	92.0%	87.6%	88.2%	88.1%	88.5%	107.8%	90.7%	90.1%	95.3%	91.3%
Series2	82.5%	85.5%	95.2%	89.4%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%









Gold Coast Health Plan
Comparative Balance Sheet
June 30, 2012

	6/30/12	5/31/12	6/30/11
ASSETS			
Current Assets			
Total Cash and Cash Equivalents	**23,740,502**	**53,163,827**	**660,697**
Medi-Cal Receivable	28,534,938	1,952,228	-
Provider Receivable	6,233,287	2,085,491	-
Other Receivables	1,367,855	37,960	9,155
Total Accounts Receivable	**36,136,079**	**4,075,679**	**9,155**
Total Prepaid Accounts	1,128,838	189,202	40,127
Total Other Current Assets	750,000	757,500	-
Total Current Assets	**61,755,420**	**58,186,208**	**709,979**
Total Fixed Assets	**94,298**	**95,759**	**87,638**
Total Assets	**61,849,718**	**58,281,967**	**797,617**
LIABILITIES & FUND BALANCE			
Current Liabilities			
Incurred But Not Reported	35,251,106	18,070,222	-
Claims Payable	9,284,705	21,955,415	-
Capitation Payable	633,276	634,809	-
Accrued Premium Reduction	6,700,285	6,134,632	-
Accounts Payable	1,788,086	380,830	47,377
Accrued Expenses	-	-	201,553
Accrued ACS	-	1,585,903	1,329,863
Accrued RGS	375,000	496,574	1,301,643
Accrued Premium Tax	602,900	1,859,189	-
Current Portion of Deferred Revenue	460,000	460,000	-
Current Portion Of Long Term Debt	500,000	500,000	500,000
Total Current Liabilities	**55,595,360**	**52,077,573**	**3,380,436**
Long-Term Liabilities			
Other Long-term Liability	41,667	83,333	-
Deferred Revenue - Long Term Portion	1,380,000	1,418,333	1,840,000
Total Long-Term Liabilities	**1,421,667**	**1,501,667**	**1,840,000**
Total Liabilities	**57,017,026**	**53,579,240**	**5,220,436**
Beginning Fund Balance	(4,422,819)	(4,422,819)	-
Net Income Current Year	9,255,511	9,125,546	(4,422,819)
Total Fund Balance	**4,832,692**	**4,702,727**	**(4,422,819)**
Total Liabilities & Fund Balance	**61,849,718**	**58,281,967**	**797,617**

Gold Coast Health Plan
Income Statement
Period Ended June 30, 2012

	MAR 2012	APR 2012	MAY 2012	JUN 2012	Budget	Variance Fav/(Unfav)
Members (Member/Months)	101,439	101,272	101,041	101,207	101,822	(615)
Revenues						
Premium	26,551,649	26,558,134	26,432,002	26,583,453	24,768,686	1,814,767
Reserve for Retro-Active Rate Reduction	(561,704)	(563,998)	(564,990)	(565,653)	-	(565,653)
Interest Income	13,833	18,908	15,771	15,968	14,861	1,107
Miscellaneous Income	38,333	38,333	38,333	38,333	38,333	0
Total Revenues	**26,042,112**	**26,051,378**	**25,921,117**	**26,072,101**	**24,821,880**	**1,250,221**
MCO Tax	630,949	624,116	621,152	624,711	569,680	(55,031)
Net Revenue	**25,411,162**	**25,427,262**	**25,299,965**	**25,447,390**	**24,252,200**	**1,195,190**
Cost of Health Care						
Capitation	631,179	631,706	634,809	633,276	736,333	103,057
Claims						
Inpatient FFS Expense	4,461,281	4,414,111	5,050,059	4,879,263	3,719,573	(1,159,690)
LTC/SNF Expense	6,530,526	6,540,243	7,675,933	7,307,150	6,854,685	(452,465)
Outpatient FFS Expense	2,687,937	2,659,531	3,049,193	2,941,681	2,182,054	(759,627)
Laboratory and Radiology Expense	227,068	224,241	255,670	247,691	233,173	(14,518)
Emergency Room Facility Services FFS	522,102	516,532	595,058	571,756	406,271	(165,485)
Physician Specialty Services FFS	2,038,710	2,014,947	2,300,063	2,226,777	1,951,936	(274,841)
Professional FFS Expense	-	-	-	-	-	-
Other Medical Professional	285,034	281,320	312,135	304,096	203,645	(100,451)
Pharmacy	3,257,618	3,244,925	3,292,480	3,330,093	3,563,785	233,691
Reinsurance	91,244	92,309	92,158	91,947	92,658	711
Claims Recoveries	-		(1,719,551)	(1,831,008)	-	1,831,008
Other Medical Care Expenses	916	-	-	504	-	(504)
Other Fee For Service Expense	1,510,761	1,496,864	1,706,929	1,655,161	1,486,607	(168,554)
Transportation FFS	293,805	290,339	333,734	321,236	297,321	(23,915)
Medical & Care Management	507,022	511,080	529,018	545,482	560,312	14,830
Total Claims	22,414,023	22,286,444	23,472,879	22,591,829	21,552,020	(1,039,809)
Total Cost of Health Care	**23,045,202**	**22,918,149**	**24,107,688**	**23,225,105**	**22,288,353**	**(936,752)**
Administrative Expenses						
Salaries and Wages	207,163	239,560	301,593	310,409	356,259	45,850
Payroll Taxes and Benefits	110,151	83,567	88,190	118,072	123,052	4,980
Total Travel and Training	4,932	2,856	2,005	4,833	5,435	602
Outside Service - ACS	1,084,489	940,274	956,991	910,666	940,676	30,010
Outside Service - CQS	-	625	-	-	-	-
Outside Service - RGS	9,314	9,056	9,732	10,198	13,033	2,835
Outside Services - Other	73,973	266,888	289,582	12,001	29,887	17,886
Accounting & Actuarial Services	0	52,750	28,495	42,907	5,000	(37,907)
Legal Expense	418	33,002	2,350	85,387	3,000	(82,387)
Insurance	2,959	2,959	2,959	2,958	2,959	1
Lease Expense -Office	13,469	10,269	11,869	8,389	26,080	17,691
Consulting Services Expense	56,675	44,007	69,350	269,744	4,100	(265,644)
Translation Services	1,106	550	1,051	2,736	1,397	(1,339)
Advertising and Promotion Expense	1,484	8,384	9,466	-	1,496	1,496
General Office Expenses	28,463	112,799	61,719	76,450	86,089	9,639
Depreciation & Amortization Expense	1,461	1,461	1,461	1,461	1,461	0
Printing Expense	1,353	1,995	2,977	27,618	37,500	9,882
Shipping & Postage Expense	412	1,868	2,467	155,250	21,350	(133,900)
Interest Exp	17,543	16,761	40,841	53,241	-	(53,241)
Total Administrative Expenses	**1,615,365**	**1,829,630**	**1,883,097**	**2,092,320**	**1,658,774**	**(433,546)**
Net Income / (Loss)	**750,595**	**679,482**	**(690,820)**	**129,965**	**305,073**	**(175,108)**

Gold Coast Health Plan
Income Statement
Period Ended June 30, 2012

	YTD	% of Rev	Budget	Variance Fav/(Unfav)
Members (Member/Months)	1,215,389		1,220,476	(5,087)
Revenues				
Premium	313,283,186	101.98%	297,646,272	15,636,913
Reserve for Retro-Active Rate Reduction	(6,700,285)	-2.18%	(1,658,225)	(5,042,060)
Interest Income	169,056	0.06%	150,684	18,372
Miscellaneous Income	460,000	0.15%	459,996	4
Total Revenues	**307,211,956**	**100.00%**	**296,598,728**	**10,613,228**
MCO Tax	7,362,155	2.40%	6,844,898	517,257
Net Revenue	**299,849,801**	**97.60%**	**289,753,830**	**10,095,971**
Cost of Health Care				
Capitation	7,534,863	2.45%	8,456,054	921,192
Claims				
Inpatient FFS Expense	54,114,579	17.61%	44,748,790	(9,365,789)
LTC/SNF Expense	79,525,371	25.89%	82,474,467	2,949,096
Outpatient FFS Expense	32,652,930	10.63%	26,910,221	(5,742,709)
Laboratory and Radiology Expense	2,753,728	0.90%	2,709,570	(44,158)
Emergency Room Facility Services FFS	6,354,142	2.07%	5,264,164	(1,089,978)
Physician Specialty Services FFS	24,726,333	8.05%	23,511,993	(1,214,340)
Professional FFS Expense	121	0.00%	-	(121)
Other Medical Professional	2,907,650	0.95%	2,443,043	(464,607)
Pharmacy	36,022,296	11.73%	39,767,317	3,745,021
Reinsurance	1,108,585	0.36%	1,110,633	2,048
Claims Recoveries	(3,550,560)	-1.16%	-	3,550,560
Other Medical Care Expenses	1,420	0.00%	-	(1,420)
Other Fee For Service Expense	18,331,324	5.97%	16,811,525	(1,519,799)
Transportation FFS	3,575,708	1.16%	3,435,124	(140,584)
Medical & Care Management	5,762,751	1.88%	6,104,562	341,811
Total Claims	264,286,377	86.03%	255,291,409	(8,994,968)
Total Cost of Health Care	**271,821,240**	**88.48%**	**263,747,463**	**(8,073,776)**
Administrative Expenses				
Salaries and Wages	2,983,796	0.97%	3,069,331	85,535
Payroll Taxes and Benefits	1,072,357	0.35%	1,060,163	(12,194)
Total Travel and Training	47,094	0.02%	93,424	46,330
Outside Service - ACS	11,473,044	3.73%	10,314,180	(1,158,864)
Outside Service - CQS	625	0.00%	(169,660)	(170,285)
Outside Service - RGS	113,094	0.04%	119,811	6,717
Outside Services - Other	736,767	0.24%	191,316	(545,451)
Accounting & Actuarial Services	153,406	0.05%	133,445	(19,961)
Legal Expense	153,498	0.05%	41,667	(111,831)
Insurance	37,965	0.01%	35,011	(2,954)
Lease Expense -Office	147,194	0.05%	208,640	61,446
Consulting Services Expense	453,965	0.15%	46,330	(407,635)
Translation Services	10,522	0.00%	12,651	2,129
Advertising and Promotion Expense	188,729	0.06%	233,228	44,499
General Office Expenses	552,634	0.18%	524,184	(28,450)
Depreciation & Amortization Expense	17,873	0.01%	16,071	(1,802)
Printing Expense	52,661	0.02%	226,964	174,303
Shipping & Postage Expense	174,479	0.06%	89,224	(85,255)
Interest Exp	403,350	0.13%	5,175	(398,175)
Total Administrative Expenses	**18,773,051**	**6.11%**	**16,251,155**	**(2,521,896)**
				-
Net Income / (Loss)	**9,255,511**	**3.01%**	**9,755,212**	**(499,701)**

Gold Coast Health Plan
Income Statement PMPM
Period Ended June 30, 2012

	MAR 2012	APR 2012	MAY 2012	JUN 2012	Budget	Variance Fav/(Unfav)
Members (Member/Months)	101,439	101,272	101,041	101,207	101,822	(615)
Revenues						
Premium	261.75	262.41	261.17	262.66	243.25	19.41
Reserve for Retro-Active Rate Reduction	(5.54)	(5.57)	(5.58)	(5.59)	-	(5.59)
Interest Income	0.14	0.19	0.16	0.16	0.15	0.01
Miscellaneous Income	0.38	0.38	0.38	0.38	0.38	0.00
Total Revenues	**256.73**	**257.41**	**256.12**	**257.61**	**243.78**	**13.83**
MCO Tax	6.22	6.16	6.14	6.17	5.59	(0.58)
Net Revenue	**250.51**	**251.24**	**249.98**	**251.44**	**238.18**	**13.26**
Cost of Health Care						
Capitation	6.22	6.24	6.27	6.26	7.23	0.97
Claims						
Inpatient FFS Expense	43.98	43.61	49.90	48.21	36.53	(11.68)
LTC/SNF Expense	64.38	64.62	75.84	72.20	67.32	(4.88)
Outpatient FFS Expense	26.50	26.28	30.13	29.07	21.43	(7.64)
Laboratory and Radiology Expense	2.24	2.22	2.53	2.45	2.29	(0.16)
Emergency Room Facility Services FFS	5.15	5.10	5.88	5.65	3.99	(1.66)
Physician Specialty Services FFS	20.10	19.91	22.73	22.00	19.17	(2.83)
Professional FFS Expense	-	-	-	-	-	-
Other Medical Professional	2.81	2.78	3.08	3.00	2.00	(1.00)
Pharmacy	32.11	32.06	32.53	32.90	35.00	2.10
Reinsurance	0.90	0.91	0.91	0.91	0.91	0.00
Claims Recoveries	-	-	(16.99)	(18.09)	-	18.09
Other Medical Care Expenses	0.01	-	-	0.00	-	(0.00)
Other Fee For Service Expense	14.89	14.79	16.87	16.35	14.60	(1.75)
Transportation FFS	2.90	2.87	3.30	3.17	2.92	(0.25)
Medical & Care Management	5.00	5.05	5.23	5.39	5.50	0.11
Total Claims	220.96	220.21	231.93	223.22	211.66	(11.56)
Total Cost of Health Care	**227.18**	**226.45**	**238.20**	**229.48**	**218.90**	**(10.59)**
Administrative Expenses						
Salaries and Wages	2.04	2.37	2.98	3.07	3.50	0.43
Payroll Taxes and Benefits	1.09	0.83	0.87	1.17	1.21	0.04
Total Travel and Training	0.05	0.03	0.02	0.05	0.05	0.01
Outside Service - ACS	10.69	9.29	9.46	9.00	9.24	0.24
Outside Service - CQS	-	0.01	-	-	-	-
Outside Service - RGS	0.09	0.09	0.10	0.10	0.13	0.03
Outside Services - Other	0.73	2.64	2.86	0.12	0.29	0.17
Accounting & Actuarial Services	-	0.52	0.28	0.42	0.05	(0.37)
Legal Expense	0.00	0.33	0.02	0.84	0.03	(0.81)
Insurance	0.03	0.03	0.03	0.03	0.03	(0.00)
Lease Expense -Office	0.13	0.10	0.12	0.08	0.26	0.17
Consulting Services Expense	0.56	0.43	0.69	2.67	0.04	(2.63)
Translation Services	0.01	0.01	0.01	0.03	0.01	(0.01)
Advertising and Promotion Expense	0.01	0.08	0.09	-	0.01	0.01
General Office Expenses	0.28	1.11	0.61	0.76	0.85	0.09
Depreciation & Amortization Expense	0.01	0.01	0.01	0.01	0.01	(0.00)
Printing Expense	0.01	0.02	0.03	0.27	0.37	0.10
Shipping & Postage Expense	0.00	0.02	0.02	1.53	0.21	(1.32)
Interest Exp	0.17	0.17	0.40	0.53	-	(0.53)
Total Administrative Expenses	**15.92**	**18.08**	**18.61**	**20.67**	**16.29**	**(4.38)**
Net Income / (Loss)	**7.40**	**6.71**	**(6.83)**	**1.28**	**3.00**	**(1.71)**

Gold Coast Health Plan
Income Statement
Period Ended June 30, 2012

	YTD	Budget	Variance Fav/(Unfav)
Members (Member/Months)	1,215,389	1,220,476	(5,087)
Revenues			
Premium	257.76	243.88	13.89
Reserve for Retro-Active Rate Reduction	(5.51)	(1.36)	(4.15)
Interest Income	0.14	0.12	0.02
Miscellaneous Income	0.38	0.38	0.00
Total Revenues	**252.77**	**243.02**	**9.75**
MCO Tax	6.06	5.61	0.45
Net Revenue	**246.71**	**237.41**	**9.30**
Cost of Health Care			
Capitation	6.20	6.93	0.73
Claims			
Inpatient FFS Expense	44.52	36.67	(7.86)
LTC/SNF Expense	65.43	67.58	2.14
Outpatient FFS Expense	26.87	22.05	(4.82)
Laboratory and Radiology Expense	2.27	2.22	(0.05)
Emergency Room Facility Services FFS	5.23	4.31	(0.91)
Physician Specialty Services FFS	20.34	19.26	(1.08)
Professional FFS Expense	0.00	-	(0.00)
Other Medical Professional	2.39	2.00	(0.39)
Pharmacy	29.64	32.58	2.94
Reinsurance	0.91	0.91	(0.00)
Claims Recoveries	(2.92)	-	2.92
Other Medical Care Expenses	0.00	-	(0.00)
Other Fee For Service Expense	15.08	13.77	(1.31)
Transportation FFS	2.94	2.81	(0.13)
Medical & Care Management	4.74	5.00	0.26
Total Claims	217.45	209.17	(8.28)
Total Cost of Health Care	**223.65**	**216.10**	**(7.55)**
Administrative Expenses			
Salaries and Wages	2.46	2.51	0.06
Payroll Taxes and Benefits	0.88	0.87	(0.01)
Total Travel and Training	0.04	0.08	0.04
Outside Service - ACS	9.44	8.45	(0.99)
Outside Service - CQS	0.00	(0.14)	(0.14)
Outside Service - RGS	0.09	0.10	0.01
Outside Services - Other	0.61	0.16	(0.45)
Accounting & Actuarial Services	0.13	0.11	(0.02)
Legal Expense	0.13	0.03	(0.09)
Insurance	0.03	0.03	(0.00)
Lease Expense -Office	0.12	0.17	0.05
Consulting Services Expense	0.37	0.04	(0.34)
Translation Services	0.01	0.01	0.00
Advertising and Promotion Expense	0.16	0.19	0.04
General Office Expenses	0.45	0.43	(0.03)
Depreciation & Amortization Expense	0.01	0.01	(0.00)
Printing Expense	0.04	0.19	0.14
Shipping & Postage Expense	0.14	0.07	(0.07)
Interest Exp	0.33	0.00	(0.33)
Total Administrative Expenses	**15.45**	**13.32**	**(2.13)**
Net Income / (Loss)	**7.62**	**7.99**	**(0.38)**

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

	MAY 2012	JUN 2012	Variance Fav/(Unfav)	% Variance Fav/(Unfav)	Variance Explanation
Members (Member/Months)	101,041	101,207	166		
Revenues					
Premium	26,432,002	26,583,453	151,452	0.57%	
Reserve for Retro-Active Rate Reduction	(564,990)	(565,653)	(664)	-0.12%	
Interest Income	15,771	15,968	197	1.25%	
Miscellaneous Income	38,333	38,333	-	0.00%	
Total Revenues	**25,921,117**	**26,072,101**	**150,985**	**0.58%**	
MCO Tax	621,152	624,711	(3,559)	-0.57%	
Net Revenue	**25,299,965**	**25,447,390**	**147,426**	**0.58%**	
Cost of Health Care					
Capitation	634,809	633,276	1,533	0.24%	
Claims					
Inpatient FFS Expense	5,050,059	4,879,263	170,796	3.38%	May HCC higher due to $3M add'l IBNR
LTC/SNF Expense	7,675,933	7,307,150	368,783	4.80%	June HCC higher due to $2M add'l IBNR
Outpatient FFS Expense	3,049,193	2,941,681	107,512	3.53%	
Laboratory and Radiology Expense	255,670	247,691	7,979	3.12%	
Emergency Room Facility Services FFS	595,058	571,756	23,302	3.92%	
Physician Specialty Services FFS	2,300,063	2,226,777	73,286	3.19%	
Professional FFS Expense	-	-	-	-100.00%	
Other Medical Professional	312,135	304,096	8,039	2.58%	
Pharmacy	3,292,480	3,330,093	(37,613)	-1.14%	
Reinsurance	92,158	91,947	210	0.23%	
Claims Recoveries	(1,719,551)	(1,831,008)	111,457	-6.48%	Add'l Refund Requests + Reinsurance Rec
Other Medical Care Expenses	-	504	(504)	-100.00%	
Other Fee For Service Expense	1,706,929	1,655,161	51,768	3.03%	
Transportation FFS	333,734	321,236	12,498	3.74%	
Medical & Care Management	529,018	545,482	(16,464)	-3.11%	
Total Claims	23,472,879	22,591,829	881,050	3.75%	
Total Cost of Health Care	**24,107,687**	**23,225,105**	**882,582**	**3.66%**	

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

	MAY 2012	JUN 2012	Variance Fav/(Unfav)	% Variance Fav/(Unfav)	Variance Explanation
Administrative Expenses					
Salaries and Wages	301,593	310,409	(8,816)	-2.92%	
Payroll Taxes and Benefits	88,190	118,072	(29,881)	-33.88%	
Total Travel and Training	2,005	4,833	(2,828)	-141.04%	
Outside Service - ACS	956,991	910,666	46,325	4.84%	
Outside Service - RGS	9,732	10,198	(466)	-4.79%	
Outside Services - Other	289,582	12,001	277,580	95.86%	
Accounting & Actuarial Services	28,495	42,907	(14,412)	-50.58%	
Legal Expense	2,350	85,387	(83,037)	-3533.49%	
Insurance	2,959	2,958	0	0.01%	
Lease Expense -Office	11,869	8,389	3,480	29.32%	
Consulting Services Expense	69,350	269,744	(200,394)	-288.96%	
Translation Services	1,051	2,736	(1,685)	-160.31%	
Advertising and Promotion Expense	9,466	-	9,466	100.00%	
General Office Expenses	61,719	76,450	(14,731)	-23.87%	
Depreciation & Amortization Expense	1,461	1,461	-	0.00%	
Printing Expense	2,977	27,618	(24,641)	-827.82%	
Shipping & Postage Expense	2,467	155,250	(152,783)	-6193.14%	
Interest Exp	40,841	53,241	(12,400)	-30.36%	
Total Administrative Expenses	**1,883,097**	**2,092,320**	**(209,223)**	**-11.11%**	
Net Income / (Loss)	**(690,820)**	**129,965**	**820,785**	**118.81%**	

Gold Coast Health Plan
General Office Expense
Period Ended June 30, 2012

	MAY 2012	JUN 2012
Committee/Advisory	-	1,150
Non-Capital - Furniture & Equip.	30,212	10,212
Non-Capital Equipment - Computer	12,227	9,071
Software Licenses	4,219	11,671
Repairs & Maintenance	609	7,243
Telephone Services/ Internet Charges	6,037	11,245
Lease Expense -Equipment	(4,047)	-
Office & Operating Supplies	3,641	12,390
Bank Service Fees Expense	192	192
EE Recruitment	2,519	6,664
Prof Dues, Fees and Licenses	6,111	6,163
Subcriptions and Publications	-	450
General Office Expenses	**61,719**	**76,450**

Gold Coast Health Plan
Statement of Cash Flows
Month Ended June 30, 2012

Cash Flow From Operating Activities	
Collected Premium	-
Miscellaneous Income	15,968
Paid Claims	
Medical & Hospital Expenses	(19,586,585)
Pharmacy	(3,650,911)
Capitation	(634,809)
Reinsurance of Claims	(91,947)
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(3,594,042)
Repay Initial Net Liabilities	-
MCO Taxes Expense	(1,881,000)
Net Cash Provided/(Used) by Operating Activities	**(29,423,325)**
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	-
Net Cash Provided/(Used) by Investing/Financing	**-**
Net Cash Flow	**(29,423,325)**
Cash and Cash Equivalents (Beg. of Period)	53,163,827
Cash and Cash Equivalents (End of Period)	23,740,502
	(29,423,325)
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income/(Loss)	129,965
Depreciation & Amortization	1,461
Decrease/(Increase) in Receivables	(32,060,400)
Decrease/(Increase) in Prepaids & Other Current Assets	(932,136)
(Decrease)/Increase in Payables	(300,220)
(Decrease)/Increase in LT Liabilities	(80,000)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	(1,256,289)
Changes in Claims and Capitation Payable	(12,106,589)
Changes in IBNR	17,180,884
	(29,423,325)
Net Cash Flow from Operating Activities	**(29,423,325)**

Gold Coast Health Plan
Statement of Cash Flows
Twelve Months Ended June 30, 2012

Cash Flow From Operating Activities	
Collected Premium	284,748,248
Miscellaneous Income	190,295
Paid Claims	
Medical & Hospital Expenses	(188,598,629)
Pharmacy	(34,350,372)
Capitation	(7,531,219)
Reinsurance of Claims	(1,016,454)
Reinsurance Recoveries	
Payment of Withhold / Risk Sharing Incentive	
Paid Administration	(23,578,278)
Repay Initial Net Liabilities	
MCO Taxes Expense	(6,759,254)
Net Cash Provided by Operating Activities	**23,104,338**
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	**(24,533)**
Net Cash Flow	**23,079,805**
Cash and Cash Equivalents (Beg. of Period)	660,697
Cash and Cash Equivalents (End of Period)	23,740,502
	23,079,805
Adjustment to Reconcile Net Income to Net Cash Flow	
Net (Loss) Income	9,255,511
Depreciation & Amortization	17,873
Decrease/(Increase) in Receivables	(36,126,925)
Decrease/(Increase) in Prepaids & Other Current Assets	(1,838,711)
(Decrease)/Increase in Payables	242,651
(Decrease)/Increase in LT Liabilities	(918,333)
Purchase of fixed Assets	
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	602,900
Changes in Claims and Capitation Payable	16,618,267
Changes in IBNR	35,251,106
	23,104,338
Net Cash Flow from Operating Activities	**23,104,338**

PHARMACY

FINANCIAL REVIEW

Brand vs. Generic Prescription Drugs Comparison

YEAR-T0-DATE THRU JUNE 30, 2012

Summary Key Points

- Membership enrollment is slightly below 2012 Budget and remains steady.
- Utilization is 22.0% of total enrollmen.
- **Cost Per Claim Summary:**
  - Total number of claims paid per member is 0.12 favorable to budget (0.63 Actual vs. 0.76 Budget).
  - The average cost per claim thru June 30, 2012 YTD is $164.95 (Brand) vs. $21.99 (Generic). Generic tends to remain flat but Brand tends to fluctuate in relation to fluctuations in number of claims paid and utilization.
  - Plan combined (Brand and Generic) expense is $3.7M favorable in comparison to budget ($36.1M Actual vs. $39.8M Budget); cost per pmpm is $2.88 favorable to budget ($29.70 vs. $32.58).
  - The actual cost combined (Brand and Generic) per encounter amount to $46.84 as compared to a budgeted $43.00, resulting in ($3.85) unfavorable variance .
  - Brand accounted for 17.4% and Generic of 82.6% of total Pharmacy orders.

Gold Coast Health Plan

Script Care Plan Utilization and Cost Trend

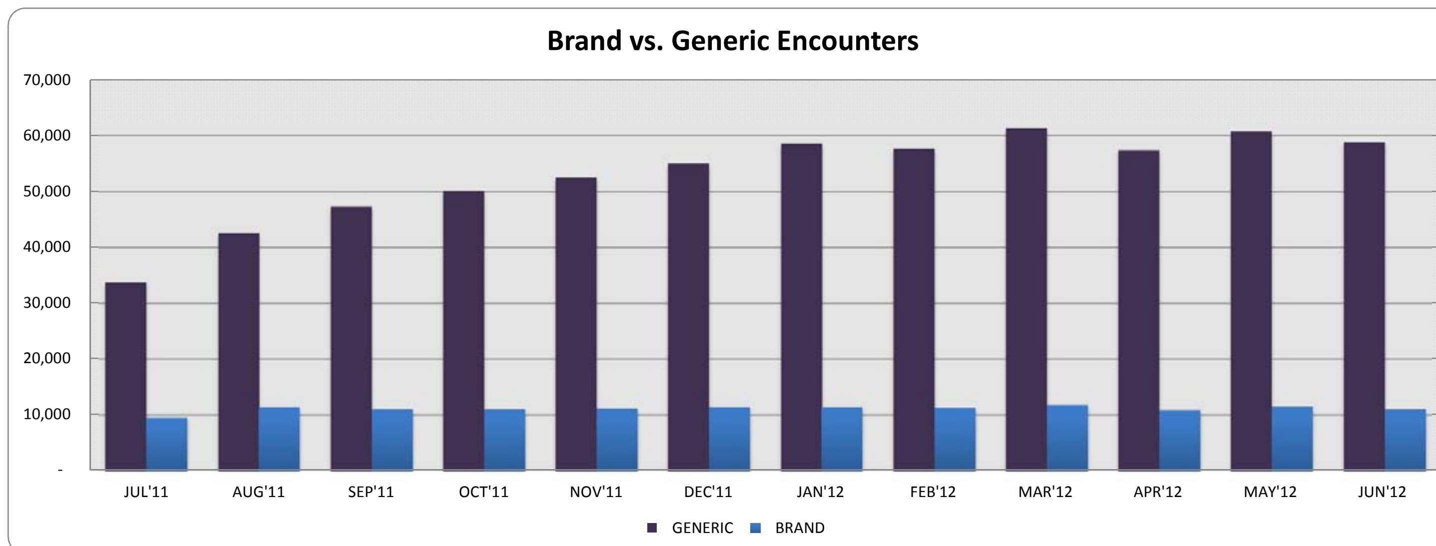
July 1, 2011- June 30, 2012

	JUL'11	AUG'11	SEP'11	OCT'11	NOV'11	DEC'11	JAN'12	FEB'12	MAR'12	APR'12	MAY'12	JUN'12	YTD	BUDGET	FAV/(UNFAV)
Enrollment [1]	102,033	101,487	101,470	101,619	101,174	101,243	100,636	100,768	101,439	101,272	101,041	101,207	1,215,389	1,220,476	(5,087)
Utilization [2]	16,567	19,366	20,731	21,710	22,389	23,000	23,775	23,926	24,981	23,349	24,216	23,089	267,099		
% (enrollment)	*16.2%*	*19.1%*	*20.4%*	*21.4%*	*22.1%*	*22.7%*	*23.6%*	*23.7%*	*24.6%*	*23.1%*	*24.0%*	*22.8%*	*22.0%*		
Number Of Claims Paid [2]															
BRAND	9,545	11,471	11,068	11,060	11,197	11,482	11,421	11,267	11,903	10,888	11,617	11,052	133,971	231,221	97,250
GENERIC	33,835	42,558	47,334	50,240	52,560	55,093	58,588	57,714	61,435	57,443	60,861	58,950	636,611	635,787	(824)
Total	43,380	54,029	58,402	61,300	63,757	66,575	70,009	68,981	73,338	68,331	72,478	70,002	770,582	924,885	154,303
pmpm	*0.43*	*0.53*	*0.58*	*0.60*	*0.63*	*0.66*	*0.70*	*0.68*	*0.72*	*0.67*	*0.72*	*0.69*	*0.63*	*0.76*	0.12
BRAND %	**22.0%**	**21.2%**	**19.0%**	**18.0%**	**17.6%**	**17.2%**	**16.3%**	**16.3%**	**16.2%**	**15.9%**	**16.0%**	**15.8%**	**17.4%**	**25.0%**	**7.6%**
GENERIC %	**78.0%**	**78.8%**	**81.0%**	**82.0%**	**82.4%**	**82.8%**	**83.7%**	**83.7%**	**83.8%**	**84.1%**	**84.0%**	**84.2%**	**82.6%**	**68.7%**	**-13.9%**
Plan Cost [2]															
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	2,056,168	22,098,309		
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	1,273,925	13,997,970		
Total	$ 2,276,259	$ 2,701,995	$ 2,747,179	$ 2,900,992	$ 2,913,996	$ 3,217,573	$ 3,120,194	$ 3,075,632	$ 3,257,618	$ 3,244,925	$ 3,309,822	$ 3,330,093	$ 36,096,279	$ 39,767,317	$ 3,671,038
pmpm	*$22.31*	*$26.62*	*$27.07*	*$28.55*	*$28.80*	*$31.78*	*$31.00*	*$30.52*	*$32.11*	*$32.04*	*$32.76*	*$32.90*	*$29.70*	*$32.58*	*$2.88*
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*	*$47.57*	*$46.84*	*$43.00*	*($3.85)*
BRAND %	**68.1%**	**66.7%**	**63.1%**	**62.1%**	**60.4%**	**61.0%**	**58.2%**	**59.1%**	**58.6%**	**60.1%**	**58.6%**	**61.7%**	**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%**	**38.3%**	**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*	*$186.04*	*$164.95*		
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*	*$21.61*	*$21.99*		

Data Source: **Berkeley Research Group, LLC and Amy Cansler (Director of Strategic Accounts, Script Care, Ltd.).**

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

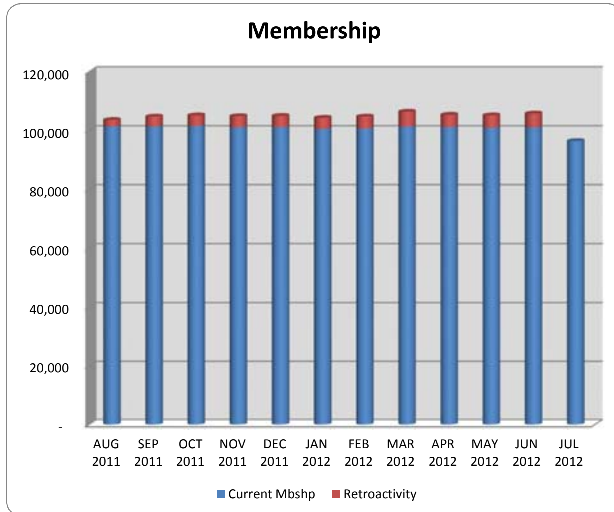
SUMMARY FINANCIAL RESULTS

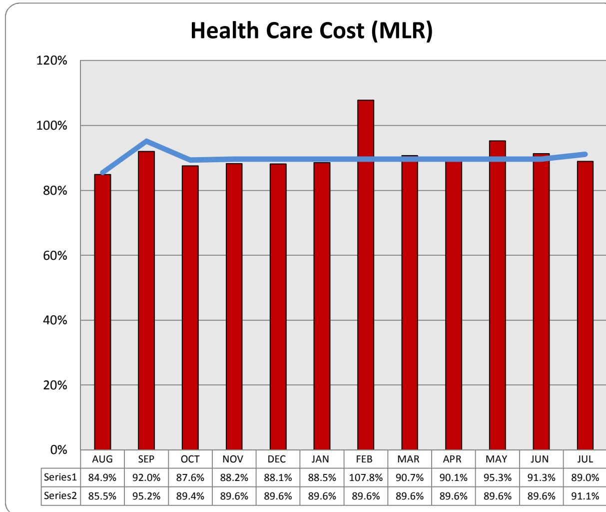
Rolling Twelve Months Actual Trend

Description	Actual August 2011 - June 2012 Monthly Results											Actual 2012
	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
Member Months	103,689	104,821	105,245	104,979	105,079	104,418	104,839	106,503	105,446	105,262	105,875	96,540
Revenue	**25,035,423**	**23,740,361**	**25,199,998**	**24,946,694**	**25,440,875**	**24,990,447**	**24,231,927**	**25,411,162**	**25,427,262**	**25,299,965**	**25,447,390**	**23,806,175**
pmpm	*241.45*	*226.48*	*239.44*	*237.64*	*242.11*	*239.33*	*231.13*	*238.60*	*241.14*	*240.35*	*240.35*	*246.59*
Health Care Costs	**21,245,838**	**21,839,899**	**22,065,987**	**22,003,480**	**22,415,249**	**22,121,202**	**26,111,143**	**23,045,202**	**22,918,149**	**24,107,688**	**23,225,105**	**21,181,745**
pmpm	*204.90*	*208.35*	*209.66*	*209.60*	*213.32*	*211.85*	*249.06*	*216.38*	*217.34*	*229.03*	*219.36*	*219.41*
% of Revenue	84.9%	92.0%	87.6%	88.2%	88.1%	88.5%	107.8% (1)	90.7%	90.1%	95.3% (2)	91.3%	89.0%
Admin Exp	**1,354,008**	**1,413,721**	**1,672,837**	**1,084,862**	**1,440,127**	**1,529,225**	**1,516,129**	**1,615,365**	**1,829,630**	**1,883,097**	**2,092,320**	**1,587,586**
pmpm	*13.06*	*13.49*	*15.89*	*10.33*	*13.71*	*14.65*	*14.46*	*15.17*	*17.35*	*17.89*	*19.76*	*16.44*
% of Revenue	5.4%	6.0%	6.6%	4.3%	5.7%	6.1%	6.3%	6.4%	7.2%	7.4%	8.2%	6.7%
Net Income	**2,435,577**	**486,741**	**1,461,174**	**1,858,351**	**1,585,499**	**1,340,019**	**(3,395,346)**	**750,595**	**679,482**	**(690,820)**	**129,965**	**1,036,844**
pmpm	*23.49*	*4.64*	*13.88*	*17.70*	*15.09*	*12.83*	*(32.39)*	*7.05*	*6.44*	*(6.56)*	*1.23*	*10.74*
% of Revenue	9.7%	2.1%	5.8%	7.4%	6.2%	5.4%	-14.0%	3.0%	2.7%	-2.7%	0.5%	4.4%
100% TNE	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	15,797,312	15,718,404
Required TNE	-	-	-	-	-	3,020,215	3,123,132	3,137,037	3,146,072	3,158,710	3,137,023	5,658,626
GCHP TNE	**627,031**	**1,113,773**	**2,574,946**	**4,433,298**	**6,018,797**	**7,358,815**	**3,963,469**	**4,714,065**	**5,393,547**	**4,702,727**	**4,832,692**	**5,888,836**

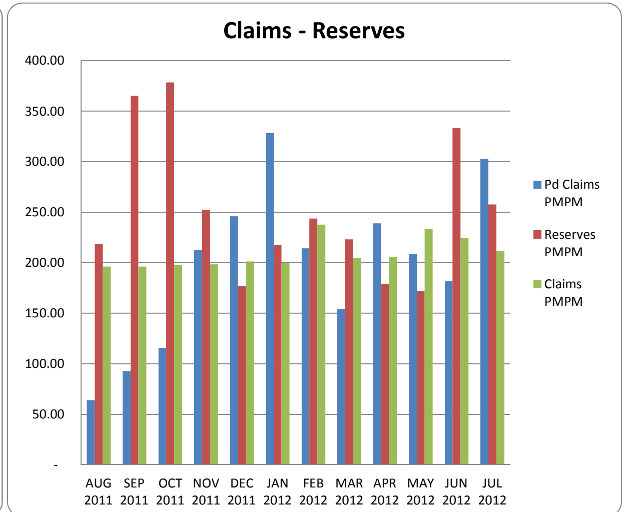
Note (1): February Health Care Costs include $4M added to reserves pursuant to updated Milliman IBNR methodology.
Note (2): May Health Care Costs include $3M added to reserves.
Note (3): June Health Care Costs include $2M added to IBNR.

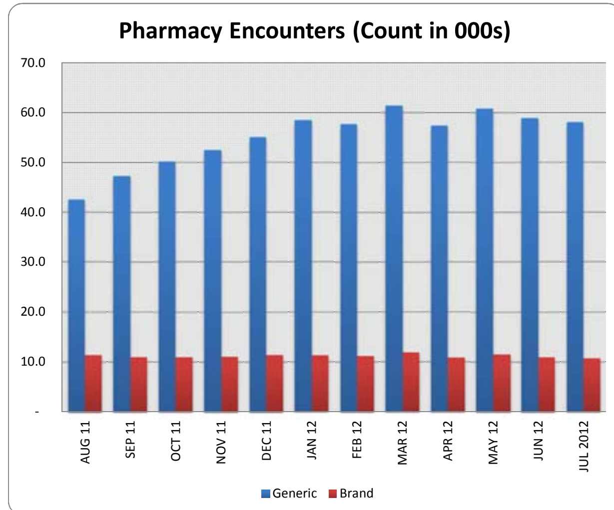
GOLD COAST HEALTH PLAN
Financial Scorecard - July 2012

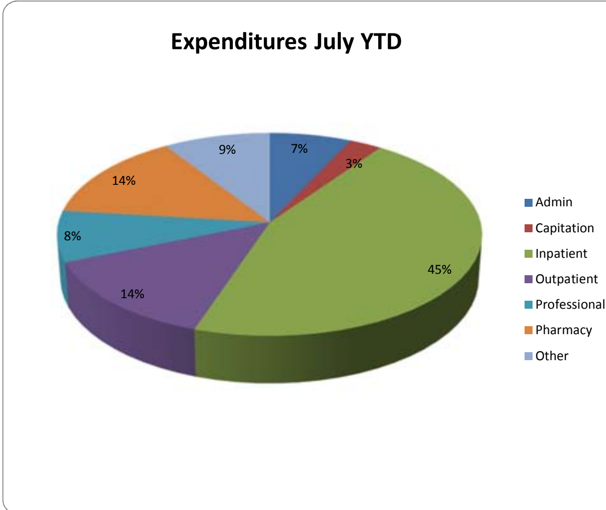


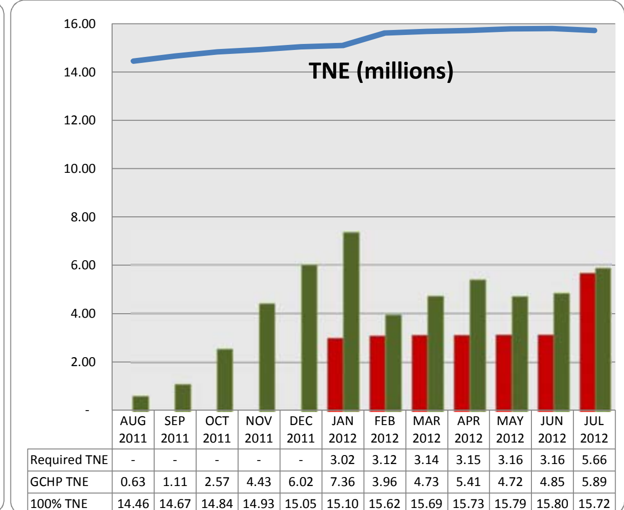


	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL
Series1	84.9%	92.0%	87.6%	88.2%	88.1%	88.5%	107.8%	90.7%	90.1%	95.3%	91.3%	89.0%
Series2	85.5%	95.2%	89.4%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	89.6%	91.1%









	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012	JUL 2012
Required TNE	-	-	-	-	-	3.02	3.12	3.14	3.15	3.16	3.16	5.66
GCHP TNE	0.63	1.11	2.57	4.43	6.02	7.36	3.96	4.73	5.41	4.72	4.85	5.89
100% TNE	14.46	14.67	14.84	14.93	15.05	15.10	15.62	15.69	15.73	15.79	15.80	15.72

Gold Coast Health Plan
Comparative Balance Sheet
July 31, 2012

	7/31/12	6/30/12	6/30/11
ASSETS			
Current Assets			
Total Cash and Cash Equivalents	**24,424,061**	**23,740,502**	**660,697**
Medi-Cal Receivable	26,815,002	28,534,938	-
Provider Receivable	3,128,213	6,233,287	-
Other Receivables	1,346,264	1,367,855	9,155
Total Accounts Receivable	**31,289,479**	**36,136,079**	**9,155**
Total Prepaid Accounts	1,092,941	1,128,838	40,127
Total Other Current Assets	375,000	750,000	-
Total Current Assets	**57,181,482**	**61,755,420**	**709,979**
Total Fixed Assets	**92,492**	**94,298**	**87,638**
Total Assets	**57,273,974**	**61,849,718**	**797,617**
LIABILITIES & FUND BALANCE			
Current Liabilities			
Incurred But Not Reported	24,868,367	35,251,106	-
Claims Payable	10,889,499	9,284,705	-
Capitation Payable	624,487	633,276	-
Accrued Premium Reduction	7,287,718	6,700,285	-
Accounts Payable	4,244,099	1,788,086	47,377
Accrued Expenses	-	-	201,553
Accrued ACS	-	-	1,329,863
Accrued RGS	-	375,000	1,301,643
Accrued Premium Tax	1,188,600	602,900	-
Current Portion of Deferred Revenue	460,000	460,000	-
Current Portion Of Long Term Debt	500,000	500,000	500,000
Total Current Liabilities	**50,062,771**	**55,595,360**	**3,380,436**
Long-Term Liabilities			
Other Long-term Liability	-	41,667	-
Deferred Revenue - Long Term Portion	1,341,667	1,380,000	1,840,000
Total Long-Term Liabilities	**1,341,667**	**1,421,667**	**1,840,000**
Total Liabilities	**51,404,438**	**57,017,026**	**5,220,436**
Beginning Fund Balance	4,832,692	(4,422,819)	-
Net Income Current Year	1,036,844	9,255,511	(4,422,819)
Total Fund Balance	**5,869,535**	**4,832,692**	**(4,422,819)**
Total Liabilities & Fund Balance	**57,273,974**	**61,849,718**	**797,617**

Gold Coast Health Plan
Income Statement Comparison
For The Period Ended July 31, 2012

	2012 Actual Trend			July'12 Month-To-Date		Variance
	Apr	May	Jun	Actual	Budget	Fav/(Unfav)
Membership	101,272	101,041	101,207	96,540	96,540	-
Revenue:						
Premium	$ 26,558,134	$ 26,432,002	$ 26,583,453	$ 24,923,409	$ 24,937,223	$ (13,814)
Reserve for Rate Reduction	(563,998)	(564,990)	(565,653)	(587,433)	(588,844)	1,411
MCO Premium Tax	(624,116)	(621,152)	(624,711)	(585,700)	(586,025)	325
Total Net Premium	**25,370,020**	**25,245,860**	**25,393,089**	**23,750,276**	**23,762,354**	**(12,078)**
Other Revenue:						
Interest Income	18,908	15,771	15,968	17,566	14,962	2,604
Miscellaneous Income	38,333	38,333	38,333	38,333	38,333	0
Total Other Revenue	57,242	54,105	54,301	55,899	**53,295**	2,604
Total Revenue	**25,427,262**	**25,299,965**	**25,447,390**	**23,806,175**	**23,815,649**	**(9,474)**
Medical Expenses:						
Capitation	631,706	634,809	633,276	624,487	626,428	1,941
Incurred Claims:						
Inpatient	4,414,111	5,050,059	4,879,263	4,053,600	4,194,405	140,805
LTC/SNF	6,540,243	7,675,933	7,307,150	6,286,933	5,962,631	(324,302)
Outpatient	2,659,531	3,049,193	2,941,681	2,431,578	2,513,376	81,798
Laboratory and Radiology	224,241	255,670	247,691	204,092	210,489	6,397
Emergency Room Facility Services	516,532	595,058	571,756	469,752	485,905	16,153
Physician Specialty Services	2,014,947	2,300,063	2,226,777	1,848,209	1,898,845	50,636
Pharmacy	3,244,925	3,292,480	3,330,093	3,186,191	3,205,671	19,480
Other Medical Professional	281,320	312,135	304,096	263,752	199,088	(64,664)
Other Medical Care Expenses	-	-	504	836	-	(836)
Other Fee For Service Expense	1,496,864	1,706,929	1,655,161	1,410,880	1,416,591	5,711
Transportation	290,339	333,734	321,236	272,336	271,491	(845)
Total Claims	21,683,054	24,571,254	23,785,408	20,428,159	20,358,492	(69,667)
Medical & Care Management Expense	511,080	529,018	545,482	516,815	503,219	(13,596)
Reinsurance	92,309	92,158	91,947	224,938	224,938	(0)
Claims Recoveries		(1,719,551)	(1,831,008)	(612,655)	-	612,655
Sub-total	603,390	(1,098,376)	(1,193,579)	129,099	**728,157**	599,058
Total Cost of Health Care	**22,918,149**	**24,107,688**	**23,225,105**	**21,181,745**	**21,713,077**	**531,332**
Contribution Margin	**2,509,112**	**1,192,277**	**2,222,285**	**2,624,430**	**2,102,572**	**521,858**
General & Administrative Expenses:						
Salaries and Wages	239,560	301,593	310,409	311,747	288,889	(22,858)
Payroll Taxes and Benefits	83,567	88,190	118,072	108,967	99,910	(9,057)
Total Travel and Training	2,856	2,005	4,833	1,472	7,117	5,645
Outside Service - ACS	940,899	956,991	910,666	864,935	867,355	2,420
Outside Service - RGS	9,056	9,732	10,198	10,858	10,196	(662)
Outside Services - Other	266,888	289,582	12,001	10,257	40,697	30,440
Accounting & Actuarial Services	52,750	28,495	42,907	-	7,500	7,500
Legal Expense	33,002	2,350	85,387	13,600	11,500	(2,100)
Insurance	2,959	2,959	2,958	3,424	3,255	(169)
Lease Expense - Office	10,269	11,869	8,389	11,869	13,420	1,551
Consulting Services Expense	44,007	69,350	269,744	121,319	24,640	(96,679)
Translation Services	550	1,051	2,736	1,020	743	(277)
Advertising and Promotion Expense	8,384	9,466	-	3,500	-	(3,500)
General Office Expenses	112,799	61,719	76,450	45,869	48,486	2,617
Depreciation & Amortization Expense	1,461	1,461	1,461	1,806	1,806	(0)
Printing Expense	1,995	2,977	27,618	2,386	2,001	(385)
Shipping & Postage Expense	1,868	2,467	155,250	13,572	415	(13,157)
Interest Exp	16,761	40,841	53,241	60,986	22,005	(38,981)
Total G & A Expenses	**1,829,630**	**1,883,097**	**2,092,320**	**1,587,586**	**1,449,935**	**(137,651)**
Net Income / (Loss)	**$ 679,482**	**$ (690,820)**	**$ 129,965**	**$ 1,036,844**	**$ 652,637**	**$ 659,510**

Gold Coast Health Plan
PMPM Income Statement Comparison
For The Period Ended July 31, 2012

	2012 Actual Trend			July'12 Month-To-Date		Variance
	Apr	May	Jun	Actual	Budget	Fav/(Unfav)
Members (Member/Months)	101,272	101,041	101,207	96,540	96,540	-
Revenues						
Premium	262.41	261.17	262.66	246.26	258.31	(12.05)
Reserve for Retro-Active Rate Reduction	(5.57)	(5.58)	(5.59)	(5.80)	(6.10)	0.30
Interest Income	0.19	0.16	0.16	0.17	0.15	0.02
Miscellaneous Income	0.38	0.38	0.38	0.38	0.40	(0.02)
Total Revenues	**250.67**	**249.45**	**250.90**	**234.67**	**246.14**	**(11.47)**
MCO Tax	(6.16)	(6.14)	(6.17)	(5.79)	(6.07)	0.28
Net Revenue	**251.24**	**249.98**	**251.44**	**235.22**	**246.69**	**(11.47)**
Cost of Health Care						
Capitation	6.24	6.27	6.26	6.17	6.49	(0.32)
Claims						
Inpatient FFS Expense	43.61	49.90	48.21	40.05	43.45	(3.39)
LTC/SNF Expense	64.62	75.84	72.20	62.12	61.76	0.36
Outpatient FFS Expense	26.28	30.13	29.07	24.03	26.03	(2.01)
Laboratory and Radiology Expense	2.22	2.53	2.45	2.02	2.18	(0.16)
Emergency Room Facility Services FFS	5.10	5.88	5.65	4.64	5.03	(0.39)
Physician Specialty Services FFS	19.91	22.73	22.00	18.26	19.67	(1.41)
Professional FFS Expense	-	-	-	-	-	-
Other Medical Professional	2.78	3.08	3.00	2.61	2.06	0.54
Pharmacy	32.06	32.53	32.90	31.48	33.21	(1.72)
Reinsurance	0.91	0.91	0.91	2.22	2.33	(0.11)
Claims Recoveries	-	(16.99)	(18.09)	(6.05)	-	(6.05)
Other Medical Care Expenses	-	-	0.00	0.01	-	0.01
Other Fee For Service Expense	14.79	16.87	16.35	13.94	14.67	(0.73)
Transportation FFS	2.87	3.30	3.17	2.69	2.81	(0.12)
Medical & Care Management	5.05	5.23	5.39	5.11	5.21	(0.11)
Total Cost of Health Care	**226.30**	**238.59**	**229.48**	**219.41**	**224.91**	**(5.50)**
Administrative Expenses						
Salaries and Wages	2.37	2.98	3.07	3.08	2.99	0.09
Payroll Taxes and Benefits	0.83	0.87	1.17	1.08	1.03	0.04
Total Travel and Training	0.03	0.02	0.05	0.01	0.07	(0.06)
Outside Service - ACS	9.30	9.46	9.00	8.55	8.98	(0.44)
Outside Service - RGS	0.09	0.10	0.10	0.11	0.11	0.00
Outside Services - Other	2.64	2.86	0.12	0.10	0.42	(0.32)
Accounting & Actuarial Services	0.52	0.28	0.42	-	0.08	(0.08)
Legal Expense	0.33	0.02	0.84	0.13	0.12	0.02
Insurance	0.03	0.03	0.03	0.03	0.03	0.00
Lease Expense -Office	0.10	0.12	0.08	0.12	0.14	(0.02)
Consulting Services Expense	0.43	0.69	2.67	1.20	0.26	0.94
Translation Services	0.01	0.01	0.03	0.01	0.01	0.00
Advertising and Promotion Expense	0.08	0.09	-	0.03	-	0.03
General Office Expenses	1.11	0.61	0.76	0.45	0.50	(0.05)
Depreciation & Amortization Expense	0.01	0.01	0.01	0.02	0.02	(0.00)
Printing Expense	0.02	0.03	0.27	0.02	0.02	0.00
Shipping & Postage Expense	0.02	0.02	1.53	0.13	0.00	0.13
Interest Exp	0.17	0.40	0.53	0.60	0.23	0.37
Total Administrative Expenses	**18.08**	**18.61**	**20.67**	**15.69**	**15.02**	**0.67**
Net Income / (Loss)	**6.71**	**(6.83)**	**1.28**	**10.24**	**6.76**	**3.48**

Gold Coast Health Plan
Income Statement Comparison
July vs. June 2012 Actual Month Activity

	2012 Actual		$ Variance	% Variance	
	JUN	JUL	Fav/(Unfav)	Fav/(Unfav)	Explanation
Members (Member/Months)	101,207	96,540	(4,667)		
Revenue					
Premium	$ 26,583,453	$ 24,923,409	$ (1,660,044)	-6.2%	Rates revised per State; no retro activity
Reserve for Retro-Active Rate Reduction	(565,653)	(587,433)	(21,780)	-3.9%	
MCO Tax	(624,711)	(585,700)	39,011	-6.2%	
Total Net Premium	**25,393,089**	**23,750,276**	**(1,642,813)**	-6.5%	
Other Revenue:					
Interest Income	15,968	17,566	1,598	10.0%	
Miscellaneous Income	38,333	38,333	0	0.0%	
Total Other Revenue	**54,301**	**55,899**	**1,598**	2.9%	
Total Revenue	25,447,390	23,806,175	(1,641,215)	-6.4%	
Medical Expenses:					
Capitation	633,276	624,487	8,789	1.4%	
Incurred Claims					
Inpatient FFS Expense	4,879,263	4,053,600	825,663	16.9%	$2M added to IBNR, in June
LTC/SNF Expense	7,307,150	6,286,933	1,020,217	14.0%	gives appearance of low July expenses
Outpatient FFS Expense	2,941,681	2,431,578	510,103	17.3%	
Laboratory and Radiology Expense	247,691	204,092	43,599	17.6%	
Emergency Room Facility Services FFS	571,756	469,752	102,004	17.8%	
Physician Specialty Services FFS	2,226,777	1,848,209	378,568	17.0%	
Pharmacy	3,330,093	3,186,191	143,902	4.3%	
Other Medical Professional	304,096	263,752	40,344	13.3%	
Other Medical Care Expenses	504	836	(332)	-65.9%	
Other Fee For Service Expense	1,655,161	1,410,880	244,281	14.8%	
Transportation FFS	321,236	272,336	48,900	15.2%	
Total Claims	23,785,408	20,428,159	3,357,249	14.1%	
Medical & Care Management	545,482	516,815	28,667	5.3%	
Reinsurance	91,947	224,938	(132,991)	-144.6%	
Claims Recoveries	(1,831,008)	(612,655)	(1,218,353)	66.5%	
Sub-total	(1,193,579)	129,099	(1,322,678)	110.8%	
Total Cost of Health Care	23,225,105	21,181,745	2,043,359	8.8%	
Contribution Margin	2,222,285	2,624,430	(402,145)	-18.1%	
Administrative Expenses					
Salaries and Wages	310,409	311,747	(1,338)	-0.4%	
Payroll Taxes and Benefits	118,072	108,967	9,105	7.7%	
Total Travel and Training	4,833	1,472	3,361	69.5%	
Outside Service - ACS	910,666	864,935	45,731	5.0%	
Outside Service - RGS	10,198	10,858	(660)	-6.5%	
Outside Services - Other	12,001	10,257	1,744	14.5%	
Accounting & Actuarial Services	42,907	-	42,907	100.0%	
Legal Expense	85,387	13,600	71,787	84.1%	
Insurance	2,958	3,424	(466)	-15.7%	
Lease Expense -Office	8,389	11,869	(3,480)	-41.5%	
Consulting Services Expense	269,744	121,319	148,425	55.0%	Tatum fees
Translation Services	2,736	1,020	1,716	62.7%	
Advertising and Promotion Expense	-	3,500	(3,500)	-100.0%	
General Office Expenses	76,450	45,869	30,581	40.0%	
Depreciation & Amortization Expense	1,461	1,806	(345)	-23.6%	
Printing Expense	27,618	2,386	25,232	91.4%	
Shipping & Postage Expense	155,250	13,572	141,678	91.3%	ACS invoice in prior month
Interest Exp	53,241	60,986	(7,745)	-14.5%	
Total Administrative Expenses	**2,092,320**	**1,587,586**	**504,734**	24.1%	
Net Income / (Loss)	**$ 129,965**	**$ 1,036,844**	**$ 906,878**	**-697.8%**	

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

	JUN 2012	JUL 2012
Committee/Advisory	1,150	-
Non-Capital - Furniture & Equip.	10,212	580
Non-Capital Equipment - Computer	9,071	5,650
Software Licenses	11,671	24,590
Repairs & Maintenance	7,243	631
Telephone Services/ Internet Charges	11,245	1,825
Office & Operating Supplies	12,390	869
Bank Service Fees Expense	192	37
EE Recruitment	6,664	5,942
Prof Dues, Fees and Licenses	6,163	5,427
Subcriptions and Publications	450	319
General Office Expenses	**76,450**	**45,869**

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

Cash Flow From Operating Activities	
Collected Premium	26,643,345
Miscellaneous Income	17,566
Paid Claims	
Medical & Hospital Expenses	(22,626,234)
Pharmacy	(1,929,229)
Capitation	(633,276)
Reinsurance of Claims	(41,086)
Reinsurance Recoveries	-
Payment of Withhold / Risk Sharing Incentive	-
Paid Administration	(747,526)
Repay Initial Net Liabilities	-
MCO Taxes Expense	-
Net Cash Provided/(Used) by Operating Activities	**683,559**
Cash Flow From Investing/Financing Activities	
Proceeds from Paid in Surplus/Issuance of Stock	-
Costs of Capitalization	-
Net Acquisition of Property/Equipment	-
Net Cash Provided/(Used) by Investing/Financing	**-**
Net Cash Flow	**683,559**
Cash and Cash Equivalents (Beg. of Period)	23,740,502
Cash and Cash Equivalents (End of Period)	24,424,061
	683,559
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income/(Loss)	1,036,844
Depreciation & Amortization	1,806
Decrease/(Increase) in Receivables	4,846,600
Decrease/(Increase) in Prepaids & Other Current Assets	410,897
(Decrease)/Increase in Payables	2,081,013
(Decrease)/Increase in LT Liabilities	(80,000)
Purchase of fixed Assets	-
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	585,700
Changes in Claims and Capitation Payable	2,183,438
Changes in IBNR	(10,382,739)
	683,559
Net Cash Flow from Operating Activities	**683,559**

PHARMACY

FINANCIAL REVIEW

Brand vs. Generic Prescription Drugs Comparison

FOR THE MONTH ENDED JULY 31, 2012

Summary Key Points

- Membership enrollment remains steady.
- Utilization is 23.0% of total enrollment.
- **Cost Per Claim Summary:**
  - Total number of claims paid per member is 0.07 favorable to budget (0.71 Actual vs. 0.78 Budget).
  - The average cost per claim for the month ended July 31, 2012 is $177.44 (Brand) vs. $21.96 (Generic). Generic tends to remain flat but Brand tends to fluctuate in relation to fluctuations in number of claims paid and utilization.
  - Plan combined (Brand and Generic) expense is $20K favorable in comparison to budget ($3.19M Actual vs. $3.21M Budget); cost per pmpm is $.21 favorable to budget ($33.00 Actual vs. $33.21 Budget).
  - The actual cost combined (Brand and Generic) per encounter amount to $46.22 as compared to a budgeted $42.46, resulting in ($3.75) unfavorable variance .
  - Brand accounted for 15.6% and Generic of 84.4% of total Pharmacy orders.

Gold Coast Health Plan

Script Care Plan Utilization and Cost Trend

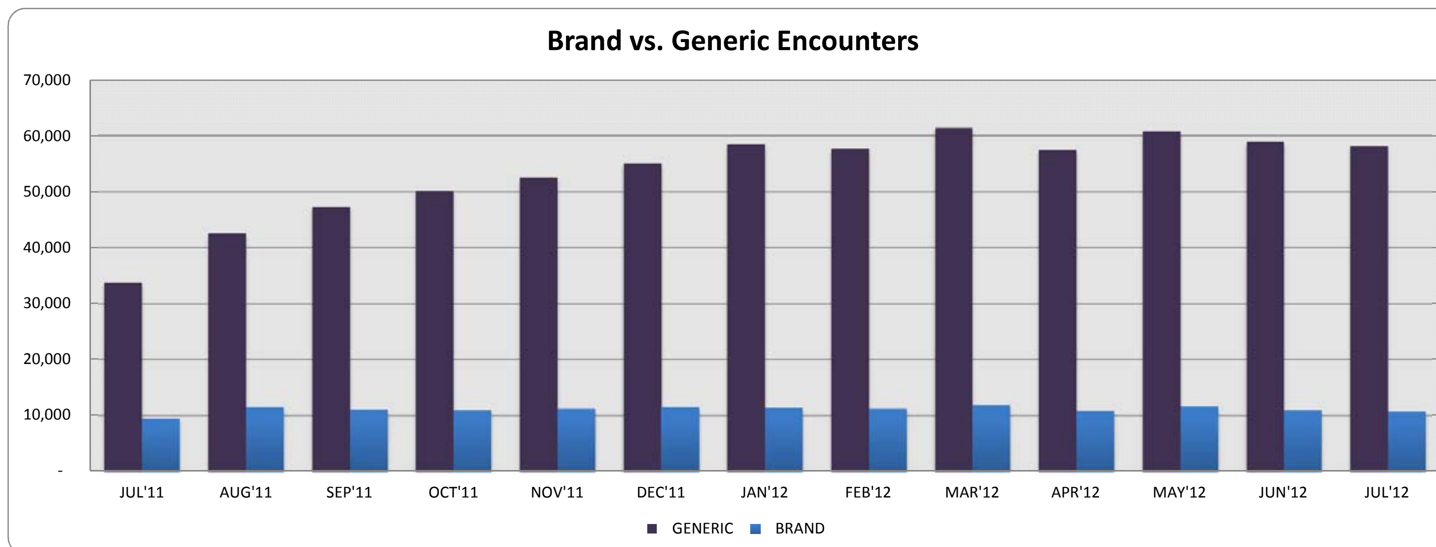
For The Month Ended July 31, 2012

	JUL'11	AUG'11	SEP'11	OCT'11	NOV'11	DEC'11	JAN'12	FEB'12	MAR'12	APR'12	MAY'12	JUN'12	JUL'12	BUDGET	FAV/ (UNFAV)
Enrollment [1]	102,033	101,487	101,470	101,619	101,174	101,243	100,636	100,768	101,439	101,272	101,041	101,207	96,540	96,540	-
Utilization [2]	16,567	19,366	20,731	21,710	22,389	23,000	23,775	23,926	24,981	23,349	24,216	23,089	22,167		
% (enrollment)	***16.2%***	***19.1%***	***20.4%***	***21.4%***	***22.1%***	***22.7%***	***23.6%***	***23.7%***	***24.6%***	***23.1%***	***24.0%***	***22.8%***	***23.0%***		
Number Of Claims Paid [2]															
BRAND	9,545	11,471	11,068	11,060	11,197	11,482	11,421	11,267	11,903	10,888	11,617	11,052	10,757	18,873	8,116
GENERIC	33,835	42,558	47,334	50,240	52,560	55,093	58,588	57,714	61,435	57,443	60,861	58,950	58,183	56,618	(1,565)
Total	43,380	54,029	58,402	61,300	63,757	66,575	70,009	68,981	73,338	68,331	72,478	70,002	68,940	75,491	6,551
pmpm	*0.43*	*0.53*	*0.58*	*0.60*	*0.63*	*0.66*	*0.70*	*0.68*	*0.72*	*0.67*	*0.72*	*0.69*	*0.71*	*0.78*	0.07
BRAND %	**22.0%**	**21.2%**	**19.0%**	**18.0%**	**17.6%**	**17.2%**	**16.3%**	**16.3%**	**16.2%**	**15.9%**	**16.0%**	**15.8%**	**15.6%**	**25.0%**	**9.4%**
GENERIC %	**78.0%**	**78.8%**	**81.0%**	**82.0%**	**82.4%**	**82.8%**	**83.7%**	**83.7%**	**83.8%**	**84.1%**	**84.0%**	**84.2%**	**84.4%**	**75.0%**	**-9.4%**
Plan Cost [2]															
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	2,056,168	1,908,700		
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	1,273,925	1,277,492		
Total	$ 2,276,259	$ 2,701,995	$ 2,747,179	$ 2,900,992	$ 2,913,996	$ 3,217,573	$ 3,120,194	$ 3,075,632	$ 3,257,618	$ 3,244,925	$ 3,309,822	$ 3,330,093	$ 3,186,191	$ 3,205,671	$ 19,480
pmpm	*$22.31*	*$26.62*	*$27.07*	*$28.55*	*$28.80*	*$31.78*	*$31.00*	*$30.52*	*$32.11*	*$32.04*	*$32.76*	*$32.90*	*$33.00*	*$33.21*	*$0.20*
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*	*$47.57*	*$46.22*	*$42.46*	*($3.75)*
BRAND %	**68.1%**	**66.7%**	**63.1%**	**62.1%**	**60.4%**	**61.0%**	**58.2%**	**59.1%**	**58.6%**	**60.1%**	**58.6%**	**61.7%**	**59.9%**		
GENERIC %	**31.9%**	**33.3%**	**36.9%**	**37.9%**	**39.6%**	**39.0%**	**41.8%**	**40.9%**	**41.4%**	**39.9%**	**41.4%**	**38.3%**	**40.1%**		
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*	*$186.04*	*$177.44*		
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*	*$21.61*	*$21.96*		

Note:

1) The actual stats obtained from California Department of Health Care Services.

2) The actual stats obtained from Script Care, Ltd.

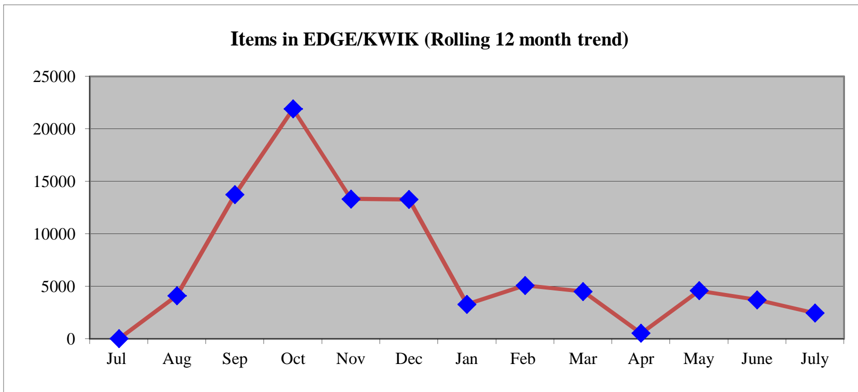


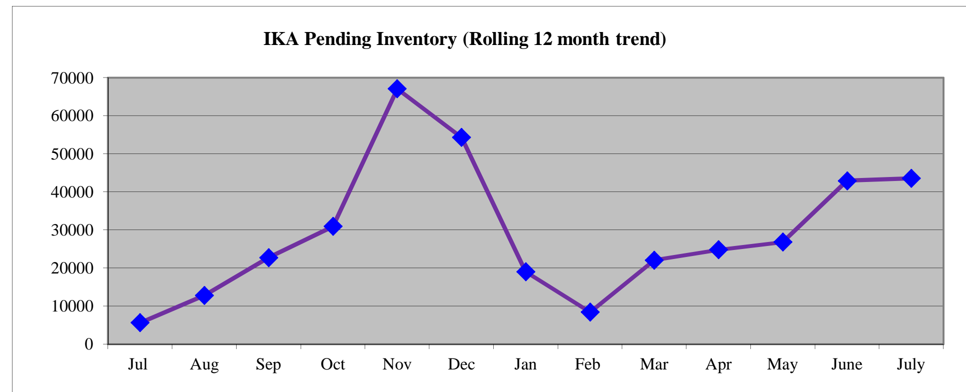
Gold Coast Health Plan

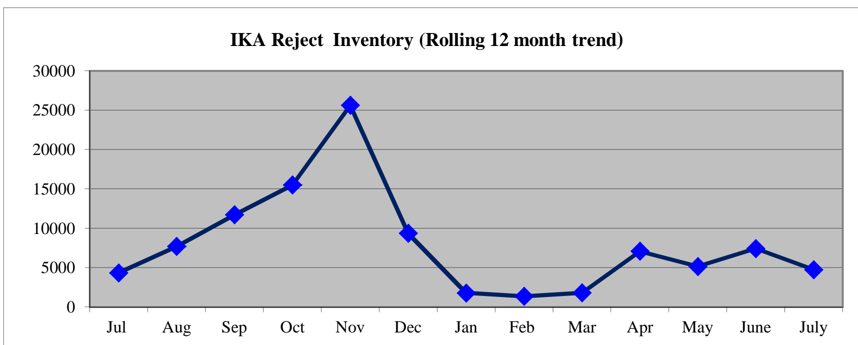
Inventory On Hand Trend

July 1, 2011 Thru July 28, 2012

	Actual Activity Trend												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Items in EDGE/KWIK (work in progress)	-	4,107	13,750	21,908	13,318	13,268	3,275	5,080	4,505	520	4,579	3,705	2,440
IKA Pending Inventory	5,616	12,834	22,724	30,947	67,135	54,344	18,997	8,417	22,085	24,781	26,815	42,938	43,581
IKA Reject Inventory	4,335	7,703	11,718	15,495	25,606	9,350	1,793	1,355	1,804	7,094	5,165	7,424	4,749
IKA Claims Ready To Pay	7,511	4,845	5,998	3,354	7,054	13,758	12,376	11,523	10,719	12,182	11,589	12,882	13,499
Total Receipts	16,331	53,592	77,612	109,278	88,289	98,992	78,069	90,708	126,654	89,588	84,879	117,839	101,377
Current Inventory	17,462	30,425	54,338	71,728	113,113	90,720	36,441	26,375	39,113	44,577	48,148	66,949	64,269
Avg./Mail Receipts (20 days)	1,633	2,680	3,881	4,540	4,414	3,799	3,903	4,535	4,669	4,479	4,244	4,893	5,069
DROH Current Inventory / Avg. Mail Recipts	11	11	14	16	26	24	9	6	8	10	11	14	13







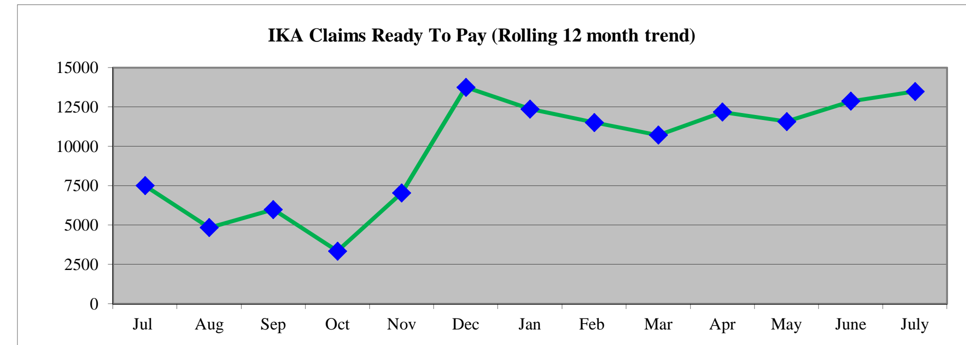


Exhibit A, Attachment 19
COMMUNITY BASED ADULT SERVICES (CBAS)

1. Provider Network

In addition to Exhibit A, Attachment 6, Provider Network, Contractor also agrees to the following:

A. **Contractor shall ensure that every ADHC provider within their service area that has been approved by the California Department of Aging as a CBAS Provider as of July 1, 2012, is included in their network, to the extent that the CBAS Provider remains licensed, certified, operating, and is willing to enter into a subcontract with Contractor on mutually agreeable terms and meets the Contractor's credentialing and quality standards.**

B. **If Contractor determines that additional CBAS Providers are necessary to meet the needs of its Members, Contractor may extend a contract to any CBAS Provider certified by the California Department of Aging after July 1, 2012. Contractor shall consider a Member's relationship with previous CBAS Providers when ensuring access to CBAS. Contractor shall not be required to include CBAS Providers that were certified by the California Department of Aging after July 1, 2012 in their provider network.**

C. **If Contractor determines that Member needs for CBAS exceeds Contractor's CBAS Provider capacity, Contractor shall arrange for access to unbundled services in accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.m.**

D. **Contractor shall include CBAS Provider information within the quarterly Provider Network Report submission in Exhibit A, Attachment 6, Provision 9.**

E. **Contractor may exclude any CBAS Provider from its network, to the extent that the Contractor and CBAS Provider cannot agree to terms, the CBAS Provider does not meet Contractor's credentialing or quality standards, is terminated pursuant to the terms of the CBAS Provider's contract with Contractor, or otherwise ceases its operations as a CBAS Provider.**

F. **Contractor shall notify DHCS when unable to contract with a certified CBAS Provider or upon termination of a CBAS Provider contract:**

1) **If Contractor and a CBAS Provider cannot agree on mutually agreeable terms, the Contractor must notify DHCS within five (5) working days of the Contractor's decision to exclude the CBAS Provider from its provider network. DHCS will attempt to resolve the contracting issue when appropriate.**

IV. Exhibit A, Scope of Work, Attachment 13, Member Services, Provision 6. Primary Care Provider Selection, is amended to read:

E. Contractor shall not be obligated to require members eligible for services through Medicare to select a Medi-Cal Primary Care Provider. Nothing in this section shall be construed to require health plans to pay for services that would otherwise be paid for by Medicare.

V. Exhibit A, Scope of Work, Attachment 13, Member Services, Provision 7. Primary Care Provider Assignment, is amended to read:

D. Contractor shall not be required to assign members who are eligible for services through Medicare to a Medi-Cal Primary Care Provider. Nothing in this section shall be construed to require health plans to pay for services that would otherwise be paid for by Medicare.

VI. Exhibit A, Scope of Work, Attachment 18, Implementation Plan and Deliverables, is amended to read:

19. Community Based Adult Services (CBAS)

Submit the following consistent with the requirements of Exhibit A, Attachment 19.

A. Submit policies and procedures for referring a Member to a CBAS Provider.
B. Submit policies and procedures on arranging for the provision of CBAS unbundled services.
C. Submit policies and procedures for providing Enhanced Case Management services.
D. Submit policies and procedures for the initial assessment and reassessment of Members for eligibility to receive CBAS.
E. Submit policies and procedures for an expedited assessment process.
F. Submit final draft of the written notice to be sent to Members after a CBAS assessment determination that results in a change to the Member's CBAS benefit.

VII. Exhibit B, Budget Detail and Payment Provisions, is amended to read:

13. Payment for Community Based Adult Services (CBAS)

A. Contractor shall be paid a monthly capitation payment for each Member who receives CBAS. Capitation payments are based on the Member's aid code grouping as specified in Exhibit B, Provision 3, Capitation Rates. Payments shall be made in accordance with the schedule of capitation payment rates at the end of the month. The payment period for health care services shall commence on October 1, 2012.

B. In addition to the monthly capitation payment, Contractor shall receive a supplemental payment for each Member who receives CBAS. For each Member who receives CBAS, the CBAS payment shall total the amount specified below and be paid for the current month of service.

Commencing 10/01/12	**CBAS Payment**
CBAS Ventura County Members	**$1,072.09**

C. On a monthly basis, by the fifteenth calendar day following the end of each month and in a format specified by DHCS, Contractor shall submit a report of Medi-Cal Managed Care CBAS Payment (CBAS Payment Report), which shall identify the Members receiving CBAS for whom the payment amount is being claimed. For each Member listed on the CBAS Payment Report, DHCS will pay a total amount as shown in the schedule.

VIII. Exhibit E, Additional Provisions, Provision 1. Additional Incorporated Exhibits, is amended to read:

A. The following additional exhibits are attached, incorporated herein, and made a part hereof by this reference:

1.	Exhibit A, Attachment 1 – Organization and Administration of the Plan	4 pages
2.	Exhibit A, Attachment 2 – Financial Information	4 pages
3.	Exhibit A, Attachment 3 – Management Information System	4 pages
4.	Exhibit A, Attachment 4 – Quality Improvement System	14 pages
5.	Exhibit A, Attachment 5 – Utilization Management	5 pages
6.	Exhibit A, Attachment 6 – Provider Network	9 pages
7.	Exhibit A, Attachment 7 – Provider Relations	3 pages
8.	Exhibit A, Attachment 8 – Provider Compensation Arrangements	8 pages
9.	Exhibit A, Attachment 9 – Access and Availability	11 pages
10.	Exhibit A, Attachment 10 – Scope of Services	23 pages
11.	Exhibit A, Attachment 11 – Case Management and Coordination of Care	13 pages
12.	Exhibit A, Attachment 12 – Local Health Department Coordination	3 pages
13.	Exhibit A, Attachment 13 – Member Services	12 pages
14.	Exhibit A, Attachment 14 – Member Grievance System	3 pages
15.	Exhibit A, Attachment 15 – Marketing	5 pages
16.	Exhibit A, Attachment 16 – Enrollments and Disenrollments	2 pages
17.	Exhibit A, Attachment 17 - Intentionally Left Blank	1 page
18.	Exhibit A, Attachment 18 – Implementation Plan and Deliverables	19 pages
19.	**Exhibit A, Attachment 19 – Community Based Adult Services (CBAS)**	**7 pages**

IX. Exhibit E, Additional Provisions, Attachment 1, Definitions, is amended to read:

Adult Day Health Care (ADHC) means an organized day program of therapeutic, social and health activities and services provided to persons 55 years or older or other adults with functional impairments, either physical or mental, for the purpose of restoring or maintaining optimal capacity for self-care as set for in Title 22, Section 78007 of the California Code of Regulations.

ADHC Center means a facility licensed to provide adult day health care, or a distinct portion of a licensed health facility in which such care is provided in a specialized unit, under a special permit issued by the Department pursuant to Title 22, Section 54105 of the California Code of Regulations.

Community Based Adult Services (CBAS) means an outpatient program that delivers skilled nursing care, social services, therapies, personal care, family/caregiver training and support, nutrition services, transportation, and other services as defined in the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91, to eligible Members who meet applicable eligibility criteria.

CBAS Discharge Plan of Care means a plan of care prepared by the CBAS Provider for Members who have been determined by Contractor or DHCS to no longer be eligible for CBAS and must include:

A. The Member's name and ID number

B. The name(s) of the Member's physician(s)

C. Date the Notice of Action was issued

D. Date the CBAS benefit will be terminated

E. Specific information about the Member's current medical condition, treatments, and medications

F. A statement of how Enhanced Case Management services will be provided to the Member if eligible for these services

G. A statement of the Member's right to file a Grievance or Appeal

H. A space for the Member or the Member's representative to sign and date the Discharge Plan

CBAS Provider means an ADHC center that provides CBAS services to eligible Members and has been certified as a CBAS Provider by the California Department of Aging.

Covered Services means Medical Case Management and those benefits set forth in Title 22, CCR, Division 3, Subdivision 1, Chapter 3, beginning with Section 51301, and Title 17, CCR, Chapter 4, Subchapter 13, Article 4, beginning with Section 6840. Covered Services do not include:

A. Home and Community Based Services (HCBS) as specified in Exhibit A, Attachment 11, Provision 13 regarding Waiver Programs, and Department of Developmental Services (DDS) Administered Medicaid Home and Community Based Services Waiver as specified in Exhibit A, Attachment 11, Provision 9, Paragraph C. *HCBS do not include any service that is available as an EPSDT service, including EPSDT supplemental services, as described in Title 22, CCR, Sections 51184, 51340 and 51340.1. EPSDT supplemental services are covered under this Contract, as specified in Exhibit A, Attachment 10 regarding Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Supplemental Services.*

B. California Children Services (CCS) as specified in Exhibit A, Attachment 11, Provision 8.

C. Specialty Mental Health Services as specified in Exhibit A, Attachment 11, Provision 5.

D. Short-Doyle/Medi-Cal Mental Health Services.

E. Services provided by psychiatrists; psychologists; licensed clinical social workers; marriage, family, and child counselors; or other Specialty Mental Health Providers.

F. Alcohol and substance abuse treatment services and outpatient heroin detoxification as specified in Exhibit A, Attachment 11, Provision 6.

G. Fabrication of optical lenses as specified in Exhibit A, Attachment 10, Provision 7, paragraph C.

H. Directly observed therapy for treatment of tuberculosis as specified in Exhibit A, Attachment 11, Provision 15.

I. Dental services as specified in Title 22, CCR, Section 51307 and EPSDT supplemental dental services as described in Title 22, CCR, Section 51340.1(a). However, Contractor is responsible for all medical Covered Services necessary to support dental services provided to Members as specified in Exhibit A, Attachment 11, Provision 14 regarding dental services.

J. Services in any Federal or State governmental hospital.

K. Any Local Education Agency (LEA) services as specified in Title 22, CCR, Section 51360 and 51190.4 provided pursuant to an Individualized Education Plan (IEP) as set forth in Education Code, Section 56340 et seq. or an Individualized Family Service Plan (IFSP) as set forth in Government Code Section 95020, or LEA services provided under an Individualized Health and Support Plan (IHSP), as described in Title 22, CCR, Section 51360.

L. Laboratory services provided under the State serum alphafetoprotein-testing program administered by the Genetic Disease Branch of DHCS.

~~M. Adult Day Health Care pursuant to Title 22, CCR, Section 54001.~~

~~N.~~**M.** Pediatric Day Health Care pursuant to Title 22, CCR, Section 51184(j).

~~O.~~**N.** Personal Care Services as defined in Title 22, CCR, Section 51183 and 51350.

~~P.~~**O.** State Supported Services.

~~Q.~~**P.** Targeted case management services as specified in Title 22, CCR, Sections 51185 and 51351, and as described in Exhibit A, Attachment 11, Provision 2.

~~R.~~**Q.** Childhood lead poisoning case management provided by Local County health departments.

~~S.~~**R.** Psychotherapeutic drugs that are listed in the Medi-Cal Pharmacy Provider Manual, County Organized Health Systems, Capitated/Noncapitated Drugs section, which lists excluded psychiatric drugs.

~~T.~~**S.** Human Immunodeficiency Virus (HIV) and AIDS drugs that are listed in the Medi-Cal Pharmacy Provider Manual, County Organized Health Systems, Capitated/Noncapitated Drugs section, which lists excluded HIV/AIDS drugs.

~~U.~~**T.** Services rendered under the Multipurpose Senior Services Program pursuant to Chapter 5 (commencing with Section 94000) of Part 1 of Division 8.5 of the Welfare and Institutions Code.

~~V.~~**U.** Except as set forth in Attachment 3.1.B.1 (effective 1/1/2006) of the California Medicaid State Plan or as otherwise authorized by Welfare & Institutions Code Section 14133.23, effective January 1, 2006, drug benefits for full-benefit dual eligible beneficiaries who are eligible for drug benefits under Part D of Title XVIII of the Social Security Act (42 USC Section 1395w-101 et seq.) are not a Covered Service under this Contract.

~~W.~~**V.** Optional benefits as set for in Welfare and Institutions Code Section 14131.10, as implemented by the Medi-Cal Fee-For-Service program.

Enhanced Case Management (ECM) means a service for Members who received ADHC services from July 1, 2012 through February 29, 2012 but were deemed ineligible for CBAS, consisting of Complex Case Management and Person-Centered Planning services including the coordination of eligible Medi-Cal beneficiaries' individual needs for the full array of necessary long-term services and supports including medical, social, educational, and other services, whether covered or not under the Medicaid program, and periodic in-person consultation with the Member and/or the Member's designees.

Individualized Plan of Care (IPC) means a written plan designed to provide a Member determined to be eligible for CBAS with appropriate treatment in accordance with the assessed needs of the Member.

Person Centered Planning means an ongoing process designed to develop an individualized care plan specific to each person's abilities and preferences. Person

<u>Centered Planning is an integral part of Basic and Complex Care Management and discharge planning.</u>

X. Exhibit E, Attachment 1, Definitions, Eligible Beneficiary, is amended to read:

Eligible Beneficiary means any Medi-Cal beneficiary who has a county code in the Contractor's Service Area with one of the following aid codes:

Aid Group	Aid Codes
<u>Adult/</u>Family	01, 02, 03, 04, 06, 08, 30, 32, 33, 34, 35, 37, 38, 39, 40, 42, 45, 46, 47, 54, 59, 72, ***<u>81,</u>** 82, 83,***<u>86,</u>** ***<u>87,</u>** 0A, 3A, 3C, 3E, 3G, 3H, 3L, 3M, 3N, 3P, 3R, 3U, 3W, 4A, 4F, **<u>4H</u>**, 4G, 4K, **<u>4L</u>**, 4M, **<u>4T</u>**, 5K, 7A, 7J, 7X, 8P, 8R
Aged	10, 14, 16, 17, 1E, 1H
Disabled	20, 24, 26, 27, 36, 60, 64, 66, 67, 2E, 2H, 6A, 6C, 6E, 6G, 6H, 6J, 6N, 6P, 6R, 6V, 6W, 6X, 6Y
~~Adult~~	~~81, 86, 87~~
Long Term Care	13, 23, 53, 63
Breast and Cervical Cancer Treatment Program (BCCTP)	0M, 0N, 0P, 0R, 0T, 0U

XI. Exhibit E, Additional Provisions, Attachment 2, Program Terms and Conditions, Provision 16. Disputes, Subprovision F. Contractor Duty to Perform, is amended to read:

F. Contractor Duty to Perform

Pending final determination of any dispute hereunder, Contractor shall comply with the requirements of Title 22 CCR Section 53851 (d) and proceed diligently with the performance of this Contract and in accordance with the Contracting Officer's or alternate dispute officer's decision. If pursuant to an appeal under Paragraph D. Appeal of Contracting Officer's or Alternate Dispute Officer's Decision above, the Contracting Officer's or alternate dispute officer's decision is reversed, the effect of the decision pursuant to Paragraph D. shall be retroactive to the date of the Contracting Officer's or alternat**<u>iv</u>**e dispute ~~officer's~~**<u>resolution</u>** decision, and Contractor shall promptly receive any benefits of such decision. DHCS shall not pay interest on any amounts paid pursuant to a Contracting Officer's or alternat**<u>iv</u>**e dispute ~~Officer's~~**<u>resolution</u>** decision or any appeal of such decision**<u>, or any subsequent court decision or court order regarding the subject matter of the Notification of Dispute</u>**.

XII. All rights, duties, obligations and liabilities of the parties hereto otherwise remain unchanged.

2) **Contractor shall provide DHCS with notice of its termination of a CBAS Provider contract at least 60 days prior to the contract termination effective date.**

2. Covered Services

In addition to Exhibit A, Attachment 10, Provision 1, Covered Services and in accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.f. and g., Contractor agrees to provide CBAS from July 1, 2012 through August 31, 2014, and shall:

A. **Arrange for the provision of CBAS to Members determined eligible to receive CBAS in accordance with Provision 5, Assessment and Reassessment of CBAS.**

B. **Consider a Member's relationship with a previous provider of services similar to CBAS when referring a Member to a CBAS Provider.**

C. **Seek to offer CBAS as a bundled service through a certified CBAS Provider.**

D. **Arrange for the provision of unbundled services, based on the assessed needs of the Member eligible for CBAS if a certified CBAS Provider is not available or not contracted, or there is insufficient CBAS Provider capacity in the area. In accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.m., unbundled services are limited to:**

1) **Services authorized by Contractor**

a) **Professional Nursing Services**
b) **Nutrition**
c) **Physical Therapy**
d) **Occupational Therapy**
e) **Speech and Language Pathology Services**
f) **Non-Emergency Medical Transportation only between the Member's home and the CBAS unbundled service provider**

2) **Services coordinated by Contractor. In addition to the requirements for unbundled CBAS services contained in this provision, and in accordance with Exhibit A, Attachment 11, Provision 4, Out-of-Plan Case Management and Coordination of Care, Contractor shall coordinate care for unbundled CBAS services, based on the assessed needs of the member eligible for CBAS, that are not covered services, including:**

a) Personal Care Services
b) Social Services
c) Physical and Occupational Maintenance Therapy
d) Meals
e) Mental Health Services

E. If a Member has been determined CBAS eligible by DHCS and is receiving care from a CBAS Provider pending assessment by the Contractor, Contractor shall continue the provision of CBAS until an assessment has been completed in accordance with Provision 5, Assessment and Reassessment of Community Based Adult Services.

F. Contractor shall not impede or delay Member access to Medicare providers or services through its provision of CBAS or ECM.

3. Enhanced Case Management

From April 1, 2012, through August 31, 2014, ECM services shall be offered to Members who received ADHC services from Medi-Cal at any time between July 1, 2012 through February 29, 2012 and who are determined to be ineligible for CBAS.

A Member determined to be eligible for ECM may at a later date be determined eligible for CBAS. If the Member receives CBAS, the Member will no longer receive ECM. If at a later time the Member no longer receives CBAS, the Member will then be eligible to receive ECM.

A Member eligible for ECM who receives CBAS at some time between April 1, 2012 and August 31, 2014, is eligible to receive ECM for any time period during which they do not receive the CBAS benefit. A Member shall not receive ECM and CBAS concurrently.

The Contractor shall provide ECM benefits in accordance with the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 92.b. For the purposes of this provision ECM services are defined as:

A. Basic Case Management Services are provided by the primary care provider, in collaboration with the Contractor, and shall include:

1) Initial Health Assessment (IHA)
2) Initial Health Education Behavioral Assessment (IHEBA)
3) Identification of appropriate providers and facilities (such as medical, rehabilitation, and support services) to meet Member care needs

4) Direct communication between the provider and Member/family
5) Member and family education, including healthy lifestyle changes when warranted
6) Coordination of carved out and linked services, and referral to appropriate community resources and other agencies.

B. Complex Case Management Services are provided by the Contractor, in collaboration with the primary care provider, and shall include, at a minimum:

1) Basic Case Management Services
2) Management of acute or chronic illness, including emotional and social support issues by a multidisciplinary case management team
3) Intense coordination of resources to ensure member regains optimal health or improved functionality
4) With Member and PCP input, development of care plans specific to individual needs, and updating of these plans at least annually

C. Person-Centered Planning

1) Upon the enrollment of a Member eligible for ECM, Contractor shall provide, or ensure the provision of, Person-Centered Planning and treatment approaches that are collaborative and responsive to the Member's continuing health care needs.
2) Person-Centered Planning shall include identifying Member's preferences and choices regarding treatments and services, and abilities.
3) Contractor shall allow or ensure the participation of the Member, and any family, friends, and professionals of the Member's choosing, to participate fully in any discussion or decisions regarding the Member's treatments and services.
4) Contractor shall ensure that the Member receives all necessary information regarding treatment and services to make an informed choice.

4. Provision of ECM Services

A. ECM services shall be provided in addition to the requirements in Exhibit A, Attachment 11, Provision 1, Case Management Services.

B. **For Members who had received ADHC services between July 1, 2012 and February 29, 2012 but are ineligible to receive CBAS, Contractor shall continue to approve the provision of CBAS until ECM service referrals are made, a care plan has been developed, and Contractor has referred the Member to services as advised in the care plan.**

C. **Contractor may contract with a CBAS Provider or other appropriate entity for the provision of ECM services to eligible Members.**

D. **Contractor shall attempt to contact Members who had received ADHC services between July 1, 2012 and February 29, 2012 but are ineligible to receive CBAS a minimum of three (3) separate times to initiate ECM. If Member refuses to engage in ECM or Contractor is unable to make contact with the Member after three (3) separate attempts, Contractor's obligation to provide outreach efforts for ECM services to that Member will have been met. Contractor shall provide ECM services in accordance with the requirements in Exhibit A, Attachment 19, Provision 3, Enhanced Case Management if the Member requests it after outreach effort obligations have been met.**

5. Assessment and Reassessment for CBAS

Contractor shall ensure that the initial assessment and reassessment procedures for Members requesting CBAS, or who have previously been deemed eligible to receive CBAS, meet the following minimum requirements:

A. **Contractor shall ensure appropriate staff responsible for conducting, managing, and/or training for an initial assessment or reassessment of Members for CBAS shall receive training from DHCS on using the approved assessment tool.**

B. **Contractor shall conduct the CBAS eligibility determination of a Member requesting CBAS using the assessment tool approved by DHCS. CBAS eligibility determinations shall include a face-to-face review of the Member. Contractor shall include a Registered Nurse with level of care experience and a social worker on the assessment team, either as an employee or as a sub-contractor.**

C. **Contractor shall develop and implement an expedited assessment process to determine CBAS eligibility when informed of Members in a hospital or skilled nursing facility whose discharge plan includes CBAS, or who are at high risk of, admission to a skilled nursing facility.**

D. **Contractor shall reassess and redetermine the Member's eligibility for CBAS at least every six (6) months after the initial assessment, or**

whenever a change in circumstances occurs that may require a change in the Member's CBAS benefit.

E. **If Member is already receiving CBAS and requests that services remain at the same level or be increased due to a change in level of need, Contractor may conduct the reassessment using only the Member's IPC, including any supporting documentation supplied by the CBAS Provider.**

F. **Contractor shall not deny, defer, or reduce a requested level of CBAS for a Member without a face-to-face review performed by a Registered Nurse with level of care experience and utilizing the assessment tool approved by DHCS.**

G. **Contractor shall notify Members in writing of the CBAS assessment determination in accordance with the timeframes identified in Exhibit A, Attachment 13, Provision 8., Denials, Deferrals, or Modifications of Prior Authorization Requests. Contractor's written notice shall be approved by DHCS and include procedures for grievances and appeals in accordance with current requirements identified in Exhibit A, Attachment 14, Member Grievance System.**

H. **Contractor shall require that CBAS Providers complete a CBAS Discharge Plan of Care for any Members who have been determined to no longer need CBAS.**

6. **Required Reports for the CBAS Program**

Contractor shall submit to DHCS the following reports 30 calendar days following the end of the reporting quarter and in a format specified by DHCS.

A. **Contractor shall report to DHCS the number of Members who received ADHC services from July 1, 2012 to February 29, 2012 and have been determined ineligible to receive CBAS and have received ECM services within the specified reporting time period.**

B. **Contractor shall report to DHCS how many Members have been assessed for CBAS, the total number of Members currently being provided with CBAS, both as a bundled and unbundled service.**

C. **In addition to the requirements set forth in Exhibit A, Attachment 13, Provision 3, Call Center Reports, Contractor shall also include a review of any complaints surrounding the provision of CBAS benefits.**

D. In addition to the requirements set forth in Exhibit A, Attachment 14, Provision 3, Grievance Log and Grievance Quarterly Reports, Contractor shall also include reports on the following areas:

1) **Appeals related to requesting CBAS and inability to receive those services or receiving more limited services than requested**
2) **Appeals related to requesting a particular CBAS Provider and inability to access that provider**
3) **Excessive travel times to access CBAS**
4) **Grievances regarding CBAS Providers**
5) **Grievances regarding Contractor assessment and/or reassessment.**

7. Payment Rates to CBAS Providers

A. All CBAS Providers, whether contracted or not, will be reimbursed for providing the CBAS benefit between July 1, 2012 and August 31, 2014 at the rate described below, minus ten percent, except in exempted Medical Service Study Areas which will receive the rates below:

1) **Comprehensive multidisciplinary evaluation - $80.08 per evaluation.**
2) **Community Based Adult Services, adult - $76.27 per day.**
3) **Screening to determine the appropriateness of consideration of an individual for participation in a specified program, project or treatment protocol, per encounter - $64.83 per encounter.**

B. Contractor shall not be required to pay more than the Medi-Cal fee schedule as detailed in the California Bridge to Reform Waiver 11-W-00193/9, Special Terms and Conditions, Paragraph 91.m. for unbundled CBAS.