



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

Executive/Finance Committee Regular Meeting

Regular Meeting

Thursday, June 7, 2018 – 3:00 p.m.

Community Room at Gold Coast Health Plan

711 E. Daily Drive, Suite 106, Camarillo, CA 93010

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

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

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

CONSENT CALENDAR

- 1. Approval of the Executive/Finance Committee Regular Minutes of November 17, 2017.**

Staff: Maddie Gutierrez, Clerk to the Commission

RECOMMENDATION: Approve the minutes.

FORMAL ACTION ITEMS

- 2. April 2018 Financials**

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Accept the April 2018 Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

3. Gold Coast Health Plan Budget Fiscal Year 2018-2019

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Accept the Gold Coast Health Plan Budget for Fiscal Year 2018-2019 and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

4. Discussion and Recommendation on the Potential Adoption of a Policy regarding Commissioner Requests for Adding Items to the Commission Agenda.

Staff: Scott Campbell, General Counsel

RECOMMENDATION: Provide direction to staff on the adoption of a policy regarding Commissioner requests for adding items to the Commission Agenda.

INFORMATIONAL UPDATES

5. Chief Financial Officer (CFO) Report

Staff: Kashina Bishop, Chief Financial Officer

RECOMMENDATION: Accept and file.

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

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

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact (805) 437-5512. Notification for accommodation must be made by the Tuesday prior to the meeting by 3 p.m. will enable the Clerk of the Board to make reasonable arrangements for accessibility to this meeting.



AGENDA ITEM NO. 1

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Maddie Gutierrez, Clerk to the Commission
DATE: June 7, 2018
SUBJECT: Meeting Minutes of November 17, 2017 Executive Finance Committee Meeting

RECOMMENDATION:

Approve the minutes.

ATTACHMENTS:

Copy of the Executive Finance Committee Meeting minutes.

Ventura County Medi-Cal Managed Care Commission (VCMCC)
Executive / Finance Committee
November 17, 2017 Regular Meeting Minutes

CALL TO ORDER

Committee member Darren Lee called the meeting to order at 2:07 p.m. in the Community Room located at Gold Coast Health Plan, 711 E. Daily Drive, Camarillo California.

ROLL CALL

Present: Committee members Antonio Alatorre, Narcisa Egan, Darren Lee and Catherine Rodriguez.

Absent: Committee member Jennifer Swenson.

PUBLIC COMMENT

None.

CONSENT CALENDAR

1. Approval of the Executive/Finance Committee Regular Minutes of June 8, 2017.

Staff: Tracy Oehler, Clerk of the Board

RECOMMENDATION: Approve the minutes.

Committee member Rodriguez moved to approve the recommendation. Committee member Egan seconded. The vote was as follows:

AYES: Committee members Alatorre, Egan, Lee, and Rodriguez.

NOES: None.

ABSENT: Committee member Swenson.

Committee member Lee declared the motion carried.

2. Approval of the 2018 Executive/Finance Committee Meeting Calendar

Staff: Tracy Oehler, Clerk of the Board

RECOMMENDATION: Approve the 2018 Executive/Finance Committee meeting calendar.

DISCUSSION:

Committee member Rodriguez requested an amendment to the calendar to include monthly meetings for the first six months of the year beginning in January 2018. At the end of the six month period the committee will revisit whether to continue monthly meetings or return to the original schedule. The calendar will be revised to include the additional meetings as requested.

Committee member Rodriguez moved to approve the recommendation with the revision. Committee member Egan seconded. The vote was as follows:

AYES: Committee members Alatorre, Egan, Lee, and Rodriguez.

NOES: None.

ABSENT: Committee member Swenson.

Committee member Lee declared the motion carried.

FORMAL ACTION ITEMS

3. September 2017 Fiscal Year to date Financials

Staff: Lyndon Turner, Interim Chief Financial Officer

RECOMMENDATION: Accept the September 2017 Fiscal Year to date Financials and forward to the Ventura County Medi-Cal Managed Care Commission for approval.

DISCUSSION:

Financial performance was reviewed. Interim CFO Turner stated Gold Coast Health Plan (GCHP) is ahead of budget in revenue for Adult Expansion. Committee members Rodriguez and Lee had several questions on revenue rates and the criteria used by the state for rate determination. Commissioner Rodriguez expressed concern that plan rates are not adequate and suggested the plan should consider a Notice of Deficiency filing. Brandy Armenta, Compliance Officer stated plan rates were better overall. Committee member Rodriguez stated she would like to see the rates of other plans; Committee member Lee agreed. Committee member Rodriguez stated she would like to revisit this item to prove to the State there was a shortfall. Interim CFO Turner stated the plan submitted the Rate Development Template (ROT) for calendar year 2016. Committee member Lee stated concern on other plans having lower rates. Committee member Rodriguez stated that statistical health demographics in Ventura County need to be pointed out to the State. Committee member Lee stated he would like to compile the data and review before presenting information to State. Staff agreed to present additional information addressing these concerns to the December Executive Finance Committee meeting.

Interim CFO Turner stated administrative expenses are below budget. The balance sheet was reviewed and it was noted there was not much variance in administrative expenses. Accrued expenses went down due to the state clawback of previous overpayments. Committee member Rodriguez asked about short term investments and returns.

Committee member Alatorre asked about the Optum 3408 program implementation delay. Committee member Rodriguez asked about the \$1.5 million receivable on the balance sheet. Mr. Turner responded it is an advance to a hospital and its final disposition is unknown at this time. Committee member Rodriguez asked about the rent on the two buildings. Chief Executive Officer Villani stated the plan is working on subletting two suites – there are more staff working from home now.

Interim CFO Turner stated there are variances in medical and pharmacy costs. Pharmacy performance guarantees are an agenda item for the December 4, 2017 Commission meeting. Committee member Rodriguez also asked about Skilled Nursing facilities (SNF). Steve Peiser, Senior Director of Network Operations responded that previously SNF's were not taking GCHP patients, therefore, the plan increased the rates to improve access. This is a positive trend as patients are able to move sooner from acute care settings to SNF. Committee member Rodriguez asked about length of stay on SNF side. Dr. Nancy Wharfield, Chief Medical Officer, stated the average SNF stay is 8-10 days. CEO Villani stated hospital contract payment methodologies will need to change, moving to alternative payment methodologies. GCHP will take a hard look at payment methodologies and performance incentives, changing our reimbursement model as necessary. Committee member Egan stated a large part of the loss is pharmacy. What can be done on the pharmacy side? CEO Villani indicated contract adjustments had not yet been factored into the financials and contract performance guarantees from OptumRx will ensure pharmacy costs trend back down over the contract year.

Discussion continued around out of county referrals and costs. Mr. Peiser stated every situation is reviewed with respect to very ill patients driving some of the costs. Patients are sent to the Los Angeles area to support their needs at two to three times the level of pay. Dr. Wharfield stated GCHP does not send patients out of the area, GCHP approves where they go. GCHP cannot go against DHCS regulations. Committee member Alatorre stated providers want patients treated at local hospitals. Committee member Lee stated there needs to be better care as well as lower costs for local care. Committee member Rodriguez asked if this was an equipment issue and how patients can be kept within the County. CEO Villani responded there are centers of excellence, but there is a gap in these centers when it comes to pediatrics. Mr. Peiser stated the plan wants to expand incentive based programs and needs to anticipate the volume. CEO Villani stated more data will be presented to the committee in January.

Committee member Rodriguez moved to accept and file the report. Committee member Alatorre seconded. The vote was as follows:

AYES: Committee members Alatorre, Egan, Lee, and Rodriguez.

NOES: None.

ABSENT: Committee member Swenson.

Committee member Lee declared the motion carried.

INFORMATIONAL UPDATE

4. Tangible Net Equity (TNE) Strategy

Staff: Dale Villani, Chief Executive Officer and Lyndon Turner, Interim Chief Financial Officer

RECOMMENDATION: Accept and file.

The TNE PowerPoint was presented. Interim CFO Turner reviewed the projections (September 2017 to current). He stated the State is asking questions on the filing loss. CEO Villani stated the summary showed revenue versus expenses. Chief Administrative Officer Scrymgeour stated that GCHP is solely Medi-Cal while other plans have other revenues plus Medi-Cal. Interim CFO Turner gave some background on the TNE. He also stated that the State judges if we are in good status. In order to bring MLR in line with the budget, GCHP will evaluate current hospital contract rates. CEO Villani stated the committee can revisit the appropriate TNE policy at a later meeting but maintaining appropriate minimum reserves is critical. Our policy is to retain three months cash on hand to cover unanticipated expenses and variations in payment by DHCS. Our current cash on hand is 2.5 months. Compliance Officer Armenta stated that in 2009 her previous plan stopped paying providers-they did not pay providers until the State paid the plan during the state budget crisis. GCHP does not want to be in that position. CAO Scrymgeour stated the plan requires adequate reserves to cover unanticipated expenses and to build incentive programs for our performance based provider reimbursement programs.

Noted: Committee member Alatorre left the meeting at 3:19p.m.

Interim CFO Turner stated the Plan has 2.5 months of liquid reserves. Committee member Rodriguez stated the plan needs to make an appropriate profit – the State wants to see 2%. Where is GCHP? CEO Villani stated we need to get medical expenses in line. GCHP's current losses are based on rates and are not volume driven. Committee member Lee stated fee for service is more of an issue for private insurance. How do we maximize care, providing the best care for less cost? CEO Villani stated we need to create financial incentives which reward health care providers for better health outcomes. CMO Wharfield stated the plan should review opportunities to improve care in the community. GCHP wants to establish plan-provider partnerships and assist in marketing centers of excellence for care.

5. PUBLIC EMPLOYEE APPOINTMENT

Title: Chief Financial Officer

Lyndon Turner, Interim Chief Financial Officer was asked to leave to room while the position is discussed.

CEO Villani asked the Executive Financial Committee if they would like to be part of the CFO interview panel, as outlined in plan bylaws. Human Resources will engage a recruiting firm to assist in filling the position.

COMMENTS FROM COMMITTEE MEMBERS

None.

ADJOURNMENT

The meeting was adjourned at 3:41 p.m.

Tracy Oehler
Clerk of the Board



AGENDA ITEM NO. 2

TO: Gold Coast Health Plan Executive / Finance Committee
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 7, 2018
SUBJECT: April 2018 Fiscal Year to Date Financials

SUMMARY:

Staff is presenting the attached April 2018 fiscal year-to-date (FYTD) financial statements of Gold Coast Health Plan ("Plan") for the Executive / Finance Committee for review. The Plan requests that the Executive / Finance Committee recommend approval of these financials to the Commission.

BACKGROUND/DISCUSSION:

The staff has prepared the April 2018 FYTD financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

FISCAL IMPACT:

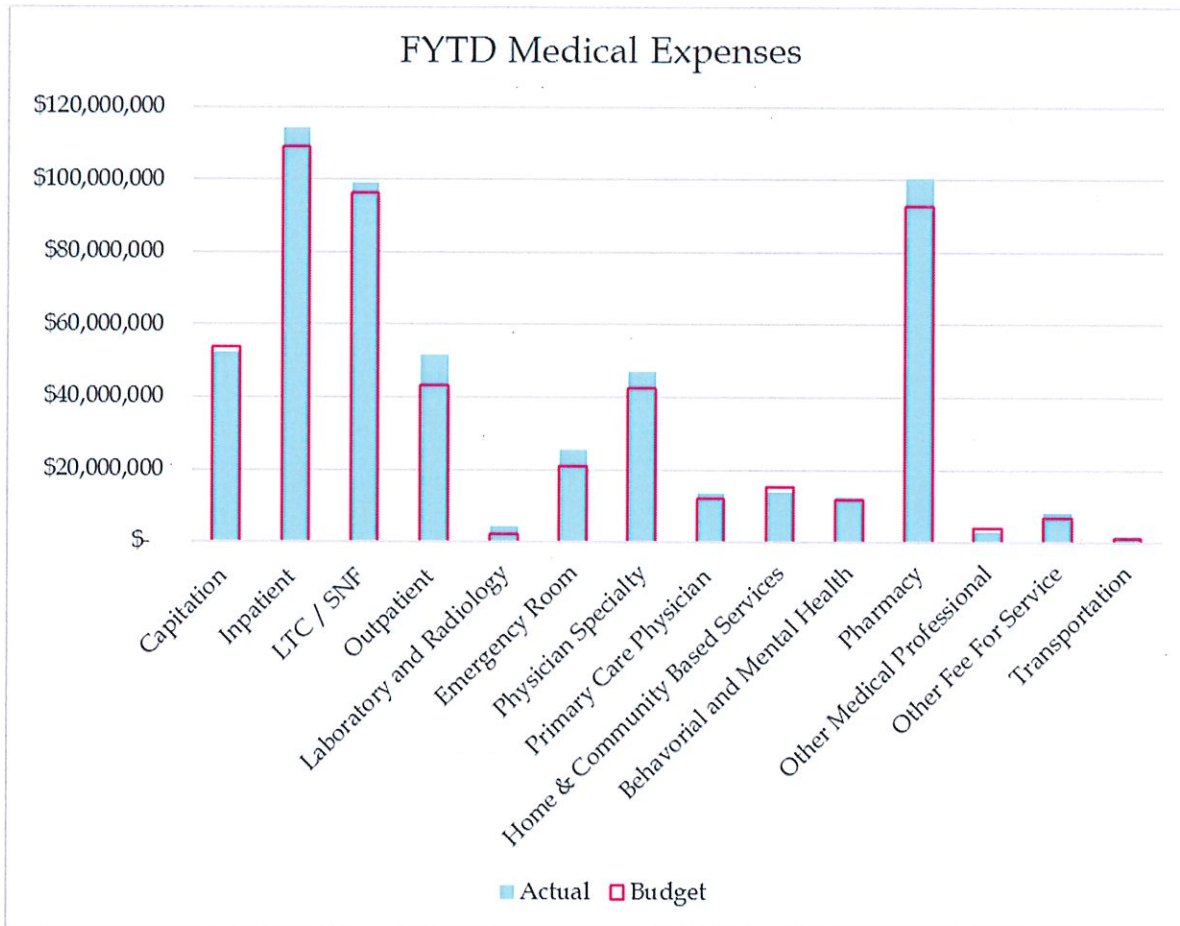
Financial Highlights

- For the ten month period ended April 30, 2018, the Plan's performance is a decrease in net assets of \$153 thousand, which is \$2.0 million more than budget.
- April FYTD net revenue is \$593.0 million, \$23.1 million higher than budget.
- Cost of health care is \$555.9 million, \$28.4 million higher than budget.
- The medical loss ratio is 93.8 percent of revenue, which is 1.2 percent higher than the budget.
- The administrative cost ratio is 6.9%, 0.4 percent lower than budget.
- April membership of 202,381 was 808 members lower than budget, but 937 higher than March's membership of 201,444.
- Tangible Net Equity is \$142.2 million which represents just over two months of operating expenses in reserve and 429% of the required amount by the State.

Revenue – April FYTD net revenue was \$593.0 million or \$23.1 million higher than budget. Approximately \$4.7 million of additional revenue was generated by retroactivity and associated rate adjustments. April's results also include approximately \$12.9 million of additional revenue generated by the AB85 Cost Balance payment due to the County Designated Public Hospital. The revenue associated with AB 85 Cost Balance is an actuarial amount calculated at the State, while the expense side is based on actual cost submitted by the hospital. Membership mix also contributed to the revenue increase through higher than expected Adult Expansion and Seniors and Persons with Disabilities (SPD) member-months.

MCO Tax – MCO tax is a pre-determined liability in accordance with Senate Bill X2-2, passed in October 2016. The Plan's MCO tax liability for FY 2018 is \$89.3 million, accrued at a rate of approximately \$7.4 million per month. The third quarterly installment of MCO tax was paid on April 2. The next quarterly installment payment is due on July 2, 2018.

Health Care Costs – April FYTD health care costs were \$555.9 million, which is \$28.4 million higher than budget. The medical loss ratio (MLR) was 93.8 percent versus 92.6 percent for budget. April's health care costs and MLR were \$54.8 million and 73.6 percent, respectively.



As displayed in the above graph, medical expenses are over budget in several service categories. The cause of the significant variances are as follows:

- Outpatient exceeded budget by \$8.6 million (19.9%). The variance is mainly the result of contract rate increases. As compared to the same ten-month period in the prior year, the average paid-per-utilization increased by 23.5%, while utilization increased by only 0.5%.
- Lab and Radiology exceeded the budget by \$1.9 million (82.9%). Utilization increased by 17.8% and unit cost increased by 18.4% over the comparable period last fiscal year. High volume was noted for a major lab chain, a sleep disorders lab and a reproductive testing specialty lab.

- Emergency Room exceeded the budget by \$4.5 million (21.8%) as a result of contract rate increases. Paid-per-utilization was 28.5% above the same period last year, while utilization increased 3.0%.
- Physician Specialty and Primary Care Physician exceeded budget by 4.4 million (10.4%) the high dollar-volume specialty types are Diagnostic Evaluation and Consultation, Radiology and Imaging Diagnostics and Anesthesia, with these three categories comprising nearly 58% of the total specialty services.
- Primary Care Physician exceed budget by \$1.5 million (12.2%). The heaviest utilization occurred in standard office visits, and Primary Care display noticeable seasonal tendencies. Spikes in office visits were noted in the winter months.
- Home and Community Based Services was lower than budget by \$1.5 million (9.5%). The largest component, CBAS, experienced flat utilization, but this was accompanied by minor rate decreases as compared to the same 10 months of the prior year. Hospice maintained steady rates, but experienced a notable decline in utilization.
- Other Medical Professional was under budget by \$1.1 million (27.0%). A large portion of this category is related to eye care and physical therapy. While utilization and unit cost are gently rising, the increases are lower than anticipated in the budget.
- Other Fee-For-Service exceeded budget by \$1.4 million (21.9%) due to a slow but steady increase in volume. To a large extent, this category is driven by medical supplies and DME.

Adult Expansion Population 85% Medical Loss Ratio – The Balance Sheet contains a \$140.8 million reserve for return of potential Medi-Cal capitation revenue to the DHCS under the terms of the MLR contract language.

	Expansion Population				Classic Population
	1/1/2014 - 6/30/2015 MLR Period 1	7/1/2015 - 6/30/2016 MLR Period 2	7/1/2016 - 6/30/2017 MLR Period 3	7/1/2017 - 4/30/2018 MLR Period 4	7/1/2017 - 4/30/2018
Total Revenue	361,237,234	293,173,426	268,060,238	247,538,414	356,624,139
Total Estimated Medical Expense	206,719,452	237,729,974	234,431,483	220,673,072	349,538,479
	57.2%	81.1%	87.5%	89.1%	98.0%
Total MLR Reserve	118,418,494	22,425,065			

Administrative Expenses – For the ten months ended April 30, administrative costs were \$40.8 million or \$471,000 below budget. As a percentage of revenue, the administrative cost ratio (or ACR) was 6.9 percent versus 7.2 percent for budget.

Cash and Medi-Cal Receivable – At April 30, the Plan had \$367.2 million in cash and short-term investments and \$95.1 million in Medi-Cal Receivables. The AE overpayment due to DHCS (related to incorrect rate payments and to achieve 85% MLR) totals \$157.2 million.

Investment Portfolio – At April 30, 2018, the value of the investments (all short term) was \$196.2 million. The portfolio included Cal Trust \$51.5 million; Ventura County Investment Pool \$60.5 million; LAIF CA State \$64.3 million; commercial paper \$19.9 million; the portfolio yielded a rate of 1.54%.

RECOMMENDATION:

Staff requests that the Executive / Finance Committee recommend that the Commission accept and file the April 2018 financial package.

CONCURRENCE:

N/A

ATTACHMENT:

April 2018 Financial Package



**Gold Coast
Health Plan™**
A Public Entity

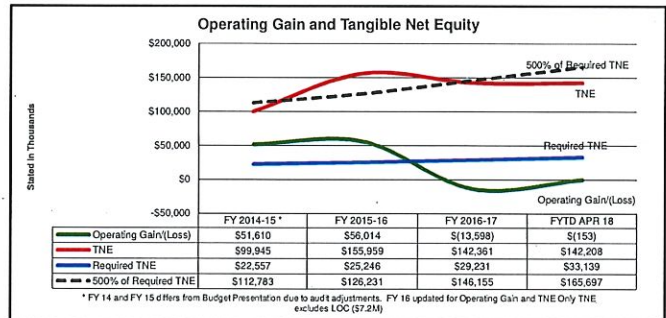
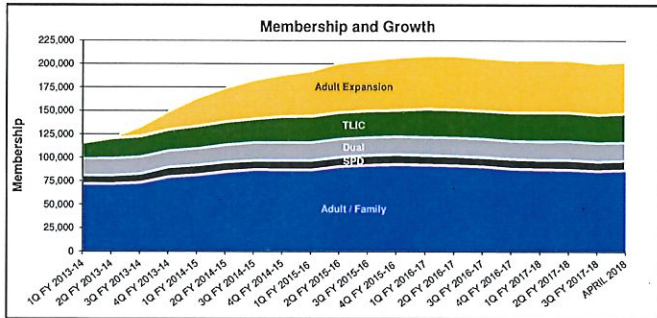
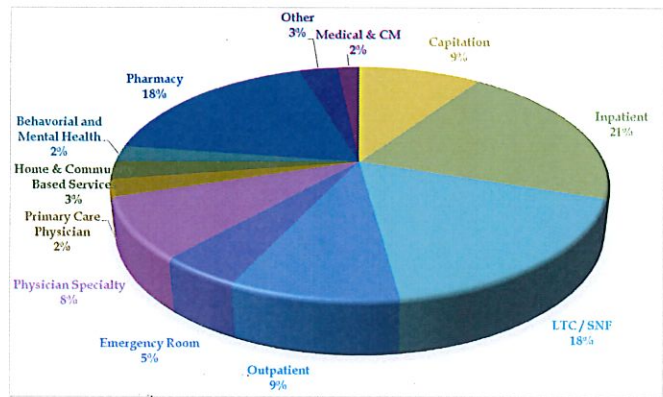
FINANCIAL PACKAGE
For the month ended April, 2018

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- Executive Dashboard
- Statement of Financial Position
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows

Gold Coast Health Plan
Executive Dashboard as of April 30, 2018

	FY 17/18 Budget	FY 17/18 FYTD	FY 16/17 Actual	FY 15/16 Actual
Average Enrollment	204,145	203,088	207,100	201,095
Revenue	\$ 279.14	\$ 291.97	\$ 273.72	\$ 279.98
Capitation	\$ 26.39	\$ 25.81	\$ 26.22	\$ 42.27
Inpatient	\$ 53.40	\$ 56.28	\$ 53.44	\$ 46.58
LTC / SNF	\$ 47.09	\$ 48.80	\$ 47.86	\$ 43.72
Outpatient	\$ 21.08	\$ 25.41	\$ 23.17	\$ 18.29
Emergency Room	\$ 10.20	\$ 12.49	\$ 9.07	\$ 8.23
Physician Specialty	\$ 20.84	\$ 23.13	\$ 22.55	\$ 19.35
Primary Care Physician	\$ 5.91	\$ 6.67	\$ 6.45	\$ 6.11
Home & Community Based Services	\$ 7.46	\$ 6.79	\$ 7.33	\$ 6.27
Behavioral and Mental Health	\$ 5.71	\$ 6.08	\$ 4.57	\$ (0.64)
Pharmacy	\$ 45.40	\$ 49.46	\$ 47.76	\$ 41.70
Other	\$ 9.09	\$ 8.13	\$ 6.57	\$ 3.26
Medical & CM	\$ 5.82	\$ 4.68	\$ 4.92	\$ 6.52
	\$ 258.40	\$ 273.72	\$ 259.91	\$ 241.66
% of Revenue	92.6%	93.8%	95.0%	86.3%
Total Administrative Expenses	\$ 41,286,249	\$ 40,814,901	\$ 51,176,317	\$ 38,256,908
% of Revenue	7.2%	6.9%	7.5%	5.7%
TNE	\$ 144,160,152	\$ 142,207,706	\$ 142,360,951	\$ 155,959,127
Required TNE	\$ 28,710,631	\$ 33,139,410	\$ 29,231,052	\$ 25,246,284
% of Required	502%	429%	487%	618%



* FY 14 and FY 15 differs from Budget Presentation due to audit adjustments. FY 16 updated for Operating Gain and TNE Only TNE excludes LOC (\$7.2M)

STATEMENT OF FINANCIAL POSITION

	04/30/18	03/31/18
ASSETS		
Current Assets:		
Total Cash and Cash Equivalents	\$ 171,002,203	\$ 173,830,109
Total Short-Term Investments	196,217,013	175,910,860
Medi-Cal Receivable	95,054,432	82,529,212
Interest Receivable	589,676	545,164
Provider Receivable	443,928	491,649
Other Receivables	3,809,386	6,903,910
Total Accounts Receivable	99,897,422	90,469,934
Total Prepaid Accounts	1,458,171	1,673,963
Total Other Current Assets	135,560	135,560
Total Current Assets	468,710,370	442,020,427
Total Fixed Assets	1,978,733	1,962,221
Total Assets	\$ 470,689,102.75	\$ 443,982,648
LIABILITIES & NET ASSETS		
Current Liabilities:		
Incurring But Not Reported	\$ 48,795,918	\$ 48,190,749
Claims Payable	19,659,066	24,194,830
Capitation Payable	57,516,379	57,430,870
Physician Payable	4,185,159	0
AB 85 Payable	20,570,412	0
DHCS - Reserve for Capitation Recoup	140,843,559	140,843,559
Accounts Payable	4,617,876	609,164
Accrued ACS	1,701,053	1,723,169
Accrued Expenses	22,801,655	22,437,361
Accrued Premium Tax	5,381,576	20,272,257
Accrued Payroll Expense	1,393,012	1,327,330
Total Current Liabilities	327,465,664	317,029,290
Long-Term Liabilities:		
Other Long-term Liability-Deferred Rent	1,015,733	1,019,133
Total Long-Term Liabilities	1,015,733	1,019,133
Total Liabilities	328,481,397	318,048,423
Net Assets:		
Beginning Net Assets	142,360,951	142,360,951
Total Increase / (Decrease in Unrestricted Net Assets)	(153,246)	(16,426,726)
Total Net Assets	142,207,706	125,934,225
Total Liabilities & Net Assets	\$ 470,689,102.75	\$ 443,982,648

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR TEN MONTHS ENDED APRIL 30, 2018**

	April 2018	April 2018 Year-To-Date		Variance	Variance	April 2018 Year-To-Date		Variance
	Actual	Actual	Budget	Fav / (Unfav)	%	Actual	Budget	av / (Unfav)
Membership (Includes retro members)	202,381	2,030,877	2,041,447	(10,570)	-0.52%	PMPM - FYTD		
Revenue								
Premium	\$ 102,483,285	\$ 713,039,826	\$ 648,359,242	\$ 64,680,583	9.98%	\$ 351.10	\$ 317.60	\$ 33.50
Facility Expense AB85	(20,570,412)	(34,885,333)	0	\$ (34,885,333)	0.00%	(17.18)	-	\$ (17.18)
Reserve for Rate Reduction	-	(9,573,613)	0	(9,573,613)	0.00%	(4.71)	-	(4.71)
MCO Premium Tax	(7,445,341)	(75,629,804)	(78,519,542)	2,889,738	-3.68%	(37.24)	(38.46)	1.22
Total Net Premium	74,467,532	592,951,076	569,839,701	23,111,375	4.06%	291.97	279.14	12.83
Total Revenue	74,467,532	592,951,076	569,839,701	23,111,375	4.06%	291.97	279.14	12.83
Medical Expenses:								
Capitation (PCP, Specialty, Kaiser, NEMT & Vision)	5,305,910	52,419,753	53,883,003	1,463,251	2.72%	25.81	26.39	0.58
FFS Claims Expenses:								
Inpatient	11,434,948	114,290,062	109,003,815	(5,286,248)	-4.85%	56.28	53.40	(2.88)
LTC / SNF	9,753,858	99,099,984	96,125,627	(2,974,358)	-3.09%	48.80	47.09	(1.71)
Outpatient	4,428,710	51,599,260	43,035,244	(8,564,016)	-19.90%	25.41	21.08	(4.33)
Laboratory and Radiology	399,494	4,171,227	2,280,769	(1,890,458)	-82.89%	2.05	1.12	(0.94)
Emergency Room	2,707,428	25,375,423	20,832,170	(4,543,253)	-21.81%	12.49	10.20	(2.29)
Physician Specialty	4,808,831	46,974,994	42,546,451	(4,428,543)	-10.41%	23.13	20.84	(2.29)
Primary Care Physician	1,387,750	13,538,725	12,072,452	(1,466,273)	-12.15%	6.67	5.91	(0.75)
Home & Community Based Services	1,573,606	13,786,184	15,237,687	1,451,502	9.53%	6.79	7.46	0.68
Applied Behavior Analysis Services	801,425	7,014,589	3,892,674	(3,121,915)	-80.20%	3.45	1.91	(1.55)
Mental Health Services	162,950	5,338,514	7,753,855	2,415,340	31.15%	2.63	3.80	1.17
Pharmacy	9,834,469	100,444,582	92,681,798	(7,762,784)	-8.38%	49.46	45.40	(4.06)
Other Medical Professional	312,559	2,909,393	3,987,437	1,078,045	27.04%	1.43	1.95	0.52
Other Medical Care	0	26,059	0	(26,059)	0.00%	0.01	-	(0.01)
Other Fee For Service	638,154	8,050,276	6,604,969	(1,445,307)	-21.88%	3.96	3.24	(0.73)
Transportation	229,059	1,897,368	1,216,137	(681,231)	-56.02%	0.93	0.60	(0.34)
Total Claims	48,473,241	494,516,641	457,271,084	(37,245,557)	-8.15%	243.50	223.99	(19.51)
Medical & Care Management Expense	909,840	9,496,297	11,889,181	2,392,884	20.13%	4.68	5.82	1.15
Reinsurance	246,810	1,642,714	4,470,769	2,828,055	63.26%	0.81	2.19	1.38
Claims Recoveries	(138,777)	(2,178,775)	0	2,178,775		(1.07)	-	1.07
Sub-total	1,017,873	8,960,236	16,359,950	7,399,714	45.23%	4.41	8.01	3.60
Total Cost of Health Care	54,797,024	555,896,630	527,514,037	(28,382,592)	-5.38%	273.72	258.40	(15.32)
Contribution Margin	19,670,508	37,054,446	42,325,664	(5,271,217)	-12.45%	18.25	20.73	(2.49)
General & Administrative Expenses:								
Salaries, Wages & Employee Benefits	1,797,815	18,980,654	19,881,936	901,282	4.53%	9.35	9.74	0.39
Training, Conference & Travel	15,721	202,869	514,363	311,494	60.56%	0.10	0.25	0.15
Outside Services	2,161,164	21,894,813	22,992,244	1,097,431	4.77%	10.78	11.26	0.48
Professional Services	298,808	3,107,116	2,861,009	(246,107)	-8.60%	1.53	1.40	(0.13)
Occupancy, Supplies, Insurance & Others	600,330	5,802,492	6,925,878	1,123,386	16.22%	2.86	3.39	0.54
ARCH/Community Grants	0	323,254	0	(323,254)	0.00%	0.16	-	(0.16)
Care Management Credit	(909,840)	(9,496,297)	(11,889,181)	(2,392,884)	20.13%	(4.68)	(5.82)	(1.15)
Total G & A Expenses	3,963,998	40,814,901	41,286,249	471,348	1.14%	20.10	20.22	0.13
Total Operating Gain / (Loss)	\$ 15,706,511	\$ (3,760,455)	\$ 1,039,414	\$ (4,799,870)	-461.79%	\$ (1.85)	\$ 0.51	\$ (2.36)
Non Operating								
Revenues - Interest	566,969	3,607,209	759,786	2,847,423	374.77%	1.78	0.37	1.40
Total Non-Operating	566,969	3,607,209	759,786	2,847,423	374.77%	1.78	0.37	1.40
Total Increase / (Decrease) in Unrestricted Net Assets	\$ 16,273,480	\$ (153,246)	\$ 1,799,201	\$ (1,952,447)	-108.52%	(0.08)	0.88	(0.96)

STATEMENT OF CASH FLOWS**FYTD 17-18****Cash Flows Provided By Operating Activities**

Net Income (Loss)	(153,246)
Adjustments to reconciled net income to net cash provided by operating activities	
Depreciation on fixed assets	443,968
Amortization of discounts and premium	(283,505)
Changes in Operating Assets and Liabilities	
Accounts Receivable	27,806,968
Prepaid Expenses	2,040,826
Accounts Payable	(102,917,985)
Claims Payable	1,164,507
MCO Tax liability	(13,794,149)
IBNR	(4,570,429)
Net Cash Provided by Operating Activities	<u>(90,263,046)</u>

Cash Flow Provided By Investing Activities

Proceeds from Restricted Cash & Other Assets	
Proceeds from Investments	205,000,000
Proceeds for Sales of Property, Plant and Equipment	-
Payments for Restricted Cash and Other Assets	-
Purchase of Investments plus Interest reinvested	(121,475,840)
Purchase of Property and Equipment	(80,635)
Net Cash (Used In) Provided by Investing Activities	<u>83,443,525</u>

Cash Flow Provided By Financing Activities

None	-
Net Cash Used In Financing Activities	<u>-</u>

Increase/(Decrease) in Cash and Cash Equivalents

	(6,819,521)
Cash and Cash Equivalents, Beginning of Period	<u>177,821,723</u>
Cash and Cash Equivalents, End of Period	<u>171,002,203</u>



AGENDA ITEM NO. 3

TO: Gold Coast Health Plan Executive / Finance Committee
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 7, 2018
SUBJECT: Fiscal Year 2018-2019 Operating and Capital Budgets

SUMMARY:

Staff is presenting the Fiscal Year 2018-2019 Operating and Capital Budgets of Gold Coast Health Plan (GCHP) to the Executive / Finance Committee for review.

RECOMMENDATION:

Staff requests that the Executive / Finance Committee recommend approval of the Fiscal Year 2018-2019 Operating and Capital Budgets to the Commission.

AGENDA ITEM NO. 4

TO: Executive Finance Committee

FROM: Scott Campbell, General Counsel

DATE: June 7, 2018

SUBJECT: Discussion of Procedure for Adding Items to the Commission Agenda

SUMMARY:

The Commission currently does not have a formal policy for determining how Commissioners may place items on the Commission's agenda for each meeting. The agenda is generally prepared by Gold Coast Health Plan (GCHP) staff. The bylaws are silent on this issue. The Commissioners have asked to consider a more formal policy and are seeking a recommendation from the Executive Finance Committee (Committee).

The Ralph M. Brown Act prohibits local agency boards from taking action or deliberating on any items that are not contained on a properly noticed agenda. The Brown Act, however, does not establish procedures for preparing an agenda, and each agency follows its own policy as to how board members may place items on the agenda. For example, some agencies only allow the chair to add items, some agencies allow any board member to add items, some agencies require that only the board as a whole can add items, and some agencies adopt other procedures.

To provide a framework for the Committee's discussion, three possible options are:

1. Commissioners must submit proposed agenda items to the Chair. The Chair can then review the proposed agenda item and determine, in the Chair's discretion, whether the item should be placed on the agenda.
2. Commissioners must submit items to be placed on a future agenda to the Clerk. The policy may allow for individual Commissioners to submit items or it could require that more than one Commissioner (but always less than a quorum) must submit items in order to ensure that there is some concurrence.
3. Establish a point within the Commission's regular meetings during which Commissioners can offer agenda items to be included at a future meeting. Items can then be placed by request of either (1) an individual Commissioner, (2) an individual Commissioner with concurrence from one or more other Commissioners, (3) an

individual Commissioner with a majority vote of the Commission, or (4) an individual Commissioner but subject to objection from a majority of the Commissioners.

These options are just to provide a framework for the discussion, and the Committee may suggest other recommendations or policies. The Committee should bear in mind that in order to place items on the agenda, requests must be given to staff with sufficient time to research and prepare the agenda packet.

RECOMMENDATION:

That the Executive Finance Committee discuss various options for Commissioners to place items on the Commission's agenda and make a recommendation to forward to the Commission at its next meeting.

ATTACHMENTS:

None.



AGENDA ITEM NO. 5

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Kashina Bishop, Chief Financial Officer
DATE: June 7, 2018
SUBJECT: Chief Financial Officer (CFO) Report

VERBAL PRESENTATION