

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

Executive/Finance Committee Regular Meeting

Regular Meeting

Thursday, July 7, 2016 – 3:00 p.m.

Bell Canyon Conference Room at Gold Coast Health Plan

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

AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

The public has the opportunity to address Ventura County Medi-Cal Managed Care Commission (VCMMCC) doing business as Gold Coast Health Plan (GCHP) on the agenda. Persons wishing to address VCMMCC should complete and submit a Speaker Card.

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

CONSENT CALENDAR

1. Minutes

Staff: Magdalen Gutierrez-Roberts, Interim Clerk of the Board

RECOMMENDATION: Approve minutes of Special Meeting held February 11, 2016.

FORMAL ACTION ITEMS

2. May 2016 Fiscal Year to Date Financials

Staff: Patricia Mowlavi, Chief Financial Officer

RECOMMENDATION: Approve the May 2016 Fiscal Year to Date Financials and forward to the Gold Coast Health Plan Commission for approval.

PRESENTATIONS

3. Procurement Overview

Presenter: Bob Bushey, Procurement Officer

4. Audit Plan Update

Presenter: John Blakey, Moss Adams

COMMENTS FROM COMMITTEE MEMBERS

ADJOURNMENT

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

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

This agenda was posted on June 30, 2016, at 5:00 p.m. at the Gold Coast Health Plan Notice Board and on its website.

AGENDA ITEM NO. 1

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

Antonio Alatorre
David Glycer

Gagan Pawar, M.D.
Dee Pupa

February 11, 2016

The Commission met in special meeting, regular session in the Executive Conference Room at Gold Coast Health Plan, 711 E. Daily Drive, Suite 106, Camarillo California and was called to order by Committee member Alatorre at 3:02p.m.

ROLL CALL

Present: Antonio Alatorre, Gagan Pawar, M.D., David Glycer, and Dee Pupa,

Absent: None.

Committee member Alatorre presided.

Noted: Agenda item No. 3 is being moved to the Reports section.

1. Minutes

RECOMMENDATION

Approve the minutes of the regular Executive/Finance Committee meeting of January 7, 2016.

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

AYES: Antonio Alatorre, Gagan Pawar, M.D., David Glycer, and Dee Pupa

NOES: None.

ABSENT: None.

Committee member Alatorre declared the motion carried.

2. **December Financials Report**

RECOMMENDATION

Accept the financials report as presented.

DISCUSSION

Chief Financial Officer (CFO) Mowlavi reviewed the financial highlights.

Financial performance for the six months ended December 31, 2015 generated a gain in unrestricted net assets of \$24.3million which was \$17million favorable to budget. The gain was driven by continued membership growth in Adult Expansion and lower than anticipated health care and administrative costs.

The fiscal year to date medical loss ratio (MLR) was 87% and an increase month over month with December at 91%. The administrative cost ratio was 5.5% and was favorable to the budget by \$2.6 million, driven largely by labor savings.

As of December, Tangible Net Equity (TNE) was \$131.4 million. Excluding the \$7.2 million Ventura County Lines of Credit, the TNE was 550% higher than the minimum state requirement and 50% over the targeted TNE. Commissioner Glycer asked what the Plan was planning on doing with the extra funds. CFO Mowlavi explained the Plan is exploring different ways to put the money into the community. Commissioner Pupa requested a TNE comparison graph showing other health plans. CFO Mowlavi will provide this information.

The Plan continues to follow-up with the Department of Health Care Services (DHCS) to request permission to repay the Ventura County Lines of Credit. There have been changes in management at DHCS and the Plan is staying in contact with those involved to help expedite the repayment.

Membership continues to grow. The December membership of 203,857 exceeded budget by 7,822 members. The increase in membership was primarily in the Adult Expansion (AE) category, which accounts for 62% of the total growth year over year.

Net revenue was \$322.7 million or \$7.0 million favorable to budget. The positive variance was primarily due to increase in membership with higher capitation rates (Adult Expansion). For the year, revenue includes a \$16.9 million reserve for rate reductions associated with AE. This reserve represents an expected refund to DHCS for rate overpayments. Committee members Pupa and Glycer would like to know what the actual MLR for Adult Expansion is. CFO Mowlavi indicated that the AE MLR has been increasing and the actual current rate will be calculated and provided.

Cash and short term investments were \$408.2 million at December 31, which includes pass-through payments for AB85 of \$1.8 million and Managed Care Organization tax of \$3.8 million. CFO Mowlavi noted that a significant portion of the cash will be used for repayments of amounts owed to the State of California \$235 million and the County of Ventura Lines of Credit of \$7.2 million.

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

AYES: Antonio Alatorre, Gagan Pawar, M.D., David Glycer, and Dee Pupa

NOES: None.

ABSENT: None.

Committee member Alatorre declared the motion carried.

3. Approval of Healthcare Effectiveness Data and Information Set (HEDIS) Contract

Quality Improvement Director Kim Osajda presented explained the request for proposal (RFP) process to find out which vendor has best service. Implementation of the new contract is scheduled for April 1, 2016. Procurement compiled all information and it will be presented for approval at the next Commission meeting. Commissioner Glycer asked how difficult the change would be. Director Osajda stated different implementation mapping is done quarterly. Need to look at quality and integrity of tables. Looking to find a vendor who will give real time data.

4. Pharmacy Benefits Manager (PBM) RFP Update

The PBM Contract expires later this year. The Plan went to RFP to look for the best fit and solid rating. Three finalists were identified and were interviewed. They were asked for their best and final offer. A recommendation will be made at the February 22, 2016 Commission meeting.

Commissioner Glycer asked how difficult the transition would be. Anne Freese, Director of Pharmacy answered that the difficulties are identifying the pitfalls and access to data from prior PBM is there is a switch. The biggest challenges are making sure members can continue to use medication as previously and looking at contracted pharmacies and checking to see that they can move forward; both are considered highly sensitive issues if vendors are changed. Understanding where the benefit is and tracking the claims data from the PBM to make sure it's accurate, will help the Plan moving forward with the pitfalls.

Commissioner Pupa stated that the Network is key. Commissioner Glycer asked if there are big differences in the network. Director Freese responded that there could be. Commissioner Alatorre asked about Xerox. Director Freese stated the interface between Xerox and PBM is eligibility file – will need to test and make sure it works. Commissioner Pupa asked about implementation timeframe is if vendors are changed. Director Freese answered 120 days; it's a solid period of time to see if implementation went smoothly. New contract would start October 1st. Script Care contract expires on September 30th but have a few one (1) month extensions if needed.

The committee recessed at 3:25 p.m. Closed Session resumed at 3:27 p.m.

ADJOURNMENT

The meeting was adjourned at 3:51 p.m.

AGENDA ITEM NO. 2

TO: Gold Coast Health Plan Executive/Finance Committee

FROM: Patricia Mowlavi, CFO

DATE: July 7, 2016

SUBJECT: May 2016 Fiscal Year to Date Financials

SUMMARY:

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

BACKGROUND / DISCUSSION:

The staff has prepared the FYTD May 2016 financial package, including statements of financial position, statement of revenues, expenses and changes in net assets, and statement of cash flows.

FISCAL IMPACT:

Financial Highlights

Overall Performance – For the eleven months ended May 31, 2016, the Plan’s gain in net assets was approximately \$35.1 million. This represents a \$22.5 million favorable variance to budget which was largely due to the continued growth in membership in the Adult Expansion (“AE”) category of aid and savings from lower than anticipated administrative costs.

Tangible Net Equity – The Plan’s operating performance has increased the Tangible Net Equity (TNE) amount to approximately \$135.0 million, which is \$42.5 million better than budget.

Membership – May membership of 206,495 exceeded budget by 4,633 members. As in the prior months, the AE and Adult / Family categories continue to be the catalysts for membership growth, accounting for almost 95% of the total FYTD enrollment growth.

Revenue – FYTD, net revenue was \$614.1 million or \$27.8 million favorable to budget. The positive variance resulted primarily from better than anticipated membership for AE with higher capitation rates.

For the year, revenue includes a \$21.2 million reserve for rate reductions associated with AE. This reserve represents an expected refund, to the Department of Health Care Services (“DHCS”), for rate overpayments (as DHCS continues to pay at the July 1, 2014 rates rather than the July 1, 2015 published rates) and the anticipated refund of revenue to achieve a medical loss ratio (“MLR”) of 85%, for this aid category. (The MLR is calculated by dividing health care costs by revenue). The combined total due back to the DHCS, for both rate overpayment and 85% MLR portion, is \$208.5 million. Beginning in January, the DHCS started to recoup the AE rate overpayment through monthly reductions of its payment to the Plan. Year-to-date, a total of \$69.3 million has been deducted, including \$17.5 million in May.

Health Care Costs – FYTD health care costs were \$543.7 million or \$8.4 million above budget. For the year, the MLR was 88.5% versus budget of 91.3%.

Some health care cost items of note include:

- **Capitation** – FYTD, capitation was \$92.9 million or \$28.2 million unfavorable to budget. The unfavorable variance was driven by the Enhanced Adult Expansion Capitation program, which was revised effective July 2015, as well as higher than budgeted capitated membership growth.
- **Fee for Service** – FYTD, total claims expense was \$435.9 million compared to a budget of \$447.9 million. While there was some movement of services between categories, the overall variance was due to lower than expected costs associated with the delivery of Inpatient and Specialty Physician health services.
- **Pharmacy** – FYTD, overall Pharmacy expense was \$90.5 million or \$5.1 million unfavorable to budget. This variance was offset by specialty drug reimbursement which appears in revenue.

Administrative Expenses – FYTD, administrative costs were \$36.9 million or \$2.6 million lower than budget. Savings were realized due to delays in new hires and related costs associated with personnel. These savings were somewhat offset by higher expenses for certain outside services whose expense varies proportionally with membership.

The administrative cost ratio (“ACR”) for FYTD was 6.0% versus 6.7% for budget. (The ACR is calculated by dividing administrative expenses by total revenue.)

Cash and Medi-Cal Receivable – At May 31, 2016, the Plan had \$404.6 million in cash and short term investments and \$61.1 million in Medi-Cal Receivable for an aggregate amount of \$465.7 million. The cash amount also included \$4.5 million related to the Managed Care Organizations (MCO) tax. Excluding MCO tax, the combined cash and short term investment amount would be \$400.1 million. As stated in the April 2016 Financial Letter, the Plan’s cash position over the next several months merits monitoring due to: (1) cash owed to the State of California that will be required to be returned with a significant portion expected to be repay within the next 12 months, and (2) consistent with prior years, and as expected, the end of the State’s fiscal year also means that there will be a long delay in the State paying the Plan. The Plan has been informed that the next payment will not be until July at the earliest and may possibly be stretched into August.

Until the next payment, the Plan expects cash usage to be range of \$105 - \$115 million to cover health care and operating expenses.

Investment Portfolio – As of May 31, 2016, the value of the investments were as follows:

- Short-term Investments \$233.7 million: Cal Trust \$80.4 million; Ventura County Investment Pool \$85.2 million; LAIF CA State \$63.1 million; Bonds \$5.0 million.
- Long-term Investments (Bonds) \$19.4 million.

RECOMMENDATION:

Staff requests that the Executive / Finance Committee recommend approval of the March 2016 financial package to the Commission.

ATTACHMENT:

May 2016 Financial Package



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

FINANCIAL PACKAGE

For the month ended May 31, 2016

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- Financial Overview
- Financial Performance Dashboard

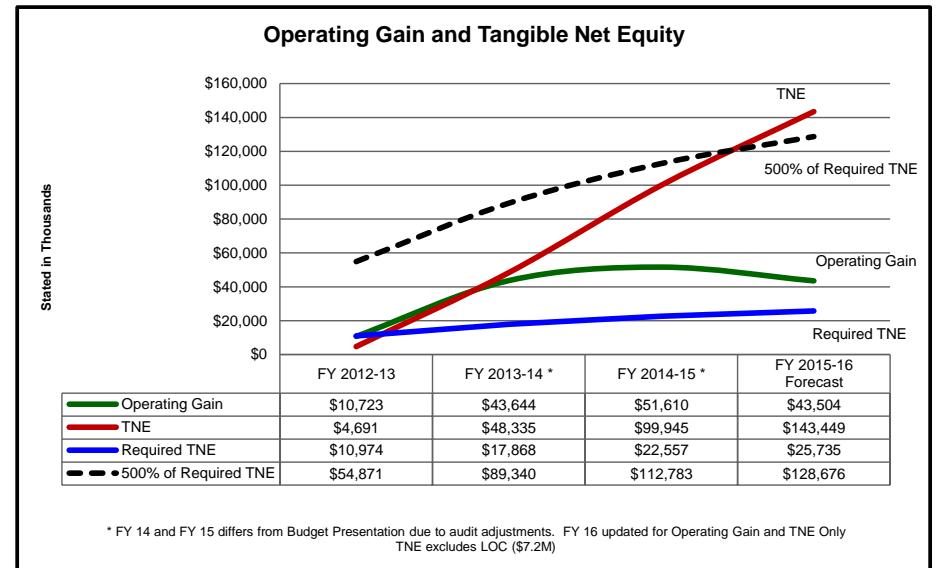
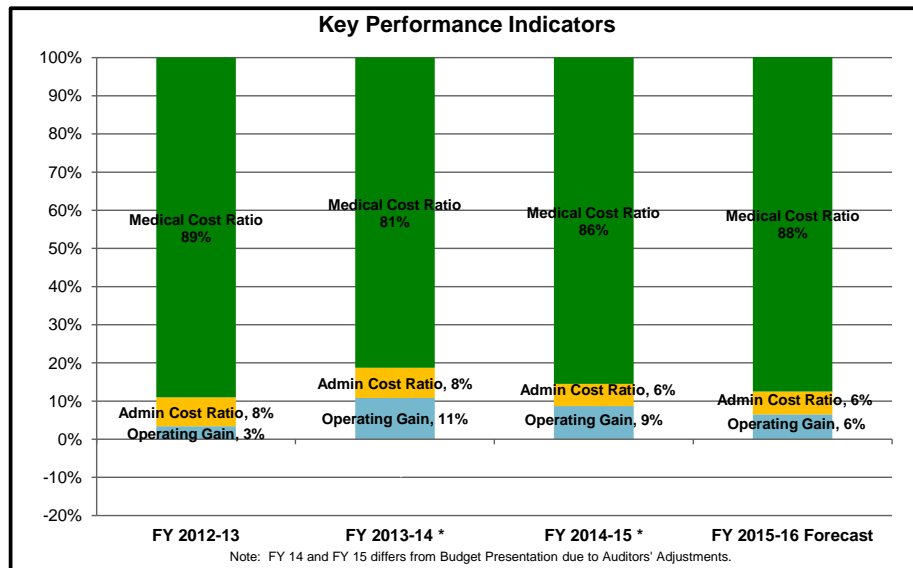
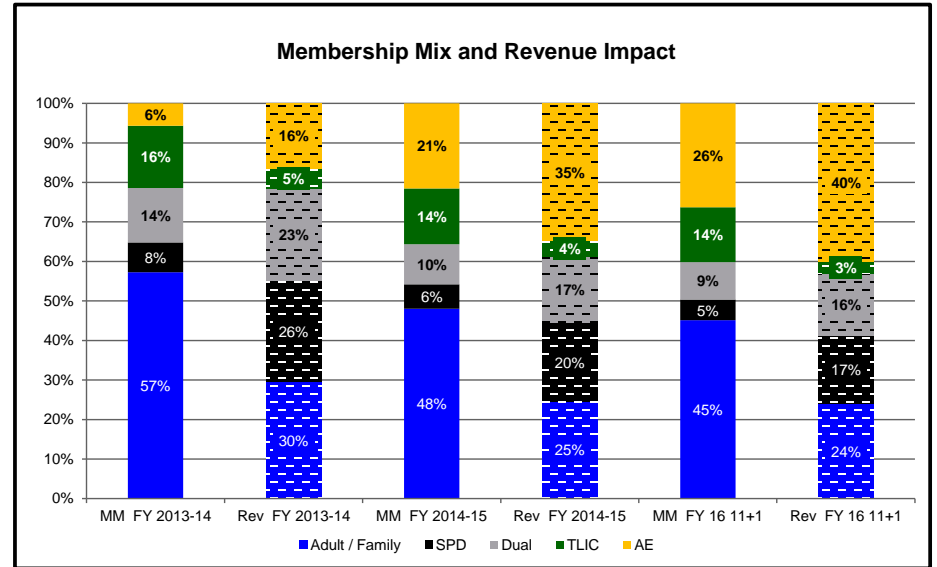
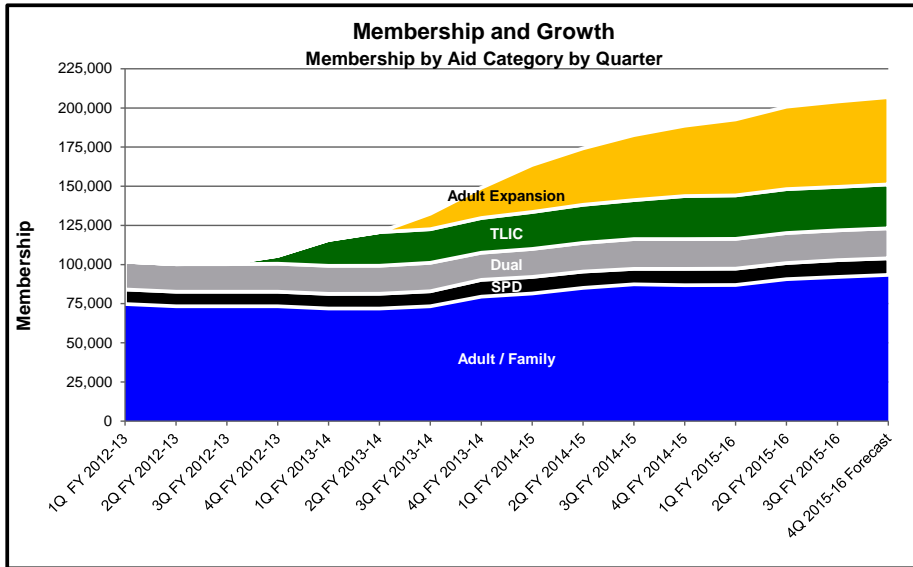
APPENDIX

- Statement of Financial Positions
- YTD Statement of Revenues, Expenses and Changes in Net Assets
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- Statement of Financial Positions
- YTD Cash Flow
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- Cash Trend Combined
- Membership
- Total Expense Composition
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- Pharmacy Cost & Utilization Trends

Description	AUDITED	AUDITED	AUDITED	AUDITED	FY 2015-16						Budget Comparison		
	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	JUL - SEP 15	OCT - DEC 15	JAN - MAR 16	APR 16	MAY 16	MAY 16 FYTD	Budget FYTD	Variance Fav / (Unfav)	Variance Fav / (Unfav)%
Member Months	1,258,189	1,223,895	1,553,660	2,130,979	578,056	602,390	612,132	205,530	206,495	2,204,603	2,157,079	47,524	2.2 %
Revenue	304,635,932	315,119,611	402,701,476	595,607,370	162,960,677	159,744,239	175,131,344	59,280,903	57,005,987	614,123,149	586,311,227	27,811,922	4.7 %
<i>ppm</i>	242.12	257.47	259.20	279.50	281.91	265.18	286.10	288.43	276.06	278.56	271.81	6.76	2.5 %
Health Care Costs	287,353,672	280,382,704	327,305,832	509,183,268	137,845,237	142,711,885	156,369,522	53,926,029	52,881,936	543,734,608	535,325,533	(8,409,076)	(1.6)%
<i>ppm</i>	228.39	229.09	210.67	238.94	238.46	236.91	255.45	262.38	256.09	246.64	248.17	1.54	0.6 %
% of Revenue	94.3%	89.0%	81.3%	85.5%	84.6%	89.3%	89.3%	91.0%	92.8%	88.5%	91.3%	2.8 %	3.0 %
Admin Exp	18,891,320	24,013,927	31,751,533	34,814,049	9,154,093	9,477,262	10,357,492	4,088,628	3,825,562	36,903,037	39,507,053	2,604,016	6.6 %
<i>ppm</i>	15.01	19.62	20.44	16.34	15.84	15.73	16.92	19.89	18.53	16.74	18.32	1.58	8.6 %
% of Revenue	6.2%	7.6%	7.9%	5.8%	5.6%	5.9%	5.9%	6.9%	6.7%	6.0%	6.7%	0.7 %	10.8 %
Non-Operating Revenue / (Expense)					327,034	441,716	466,424	176,883	180,175	1,592,232	1,082,847	509,385	47.0 %
<i>ppm</i>					0.57	0.73	0.76	0.86	0.87	0.72	0.50	0.22	43.9 %
% of Revenue					0.2%	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.1 %	40.4 %
Total Increase / (Decrease) in Unrestricted Net Assets	(1,609,063)	10,722,980	43,644,110	51,610,053	16,288,381	7,996,808	8,870,753	1,443,129	478,664	35,077,735	12,561,488	22,516,247	179.2 %
<i>ppm</i>	(1.28)	8.76	28.09	24.22	28.18	13.28	14.49	7.02	2.32	15.91	5.82	10.09	173.2 %
% of Revenue	-0.5%	3.4%	10.8%	8.7%	10.0%	5.0%	5.1%	2.4%	0.8%	5.7%	2.1%	3.6%	166.6 %
YTD													
100% TNE	16,769,368	16,138,440	17,867,986	22,556,530	21,819,072	22,591,994	24,405,592	25,882,936	25,735,231	25,735,231	26,623,299	(888,068)	(3.3)%
% TNE Required	36%	68%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Minimum Required TNE	6,036,972	10,974,139	17,867,986	22,556,530	21,819,072	22,591,994	24,405,592	25,882,936	25,735,231	25,735,231	26,623,299	(888,068)	(3.3)%
GCHP TNE	(6,031,881)	11,891,099	55,535,211	107,145,264	123,433,646	131,430,454	133,101,207	134,544,336	135,022,999	135,022,999	92,540,464	42,482,535	45.9 %
TNE Excess / (Deficiency)	(12,068,853)	916,960	37,667,225	84,588,734	101,614,573	108,838,460	108,695,615	108,661,400	109,287,768	109,287,768	65,917,165	43,370,603	65.8 %
% of Required TNE level			311%	475%	566%	582%	545%	520%	525%	525%	348%		
% of Required TNE level (excluding \$7.2 million LOC)			271%	443%	533%	550%	545%	520%	525%	525%	321%		

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

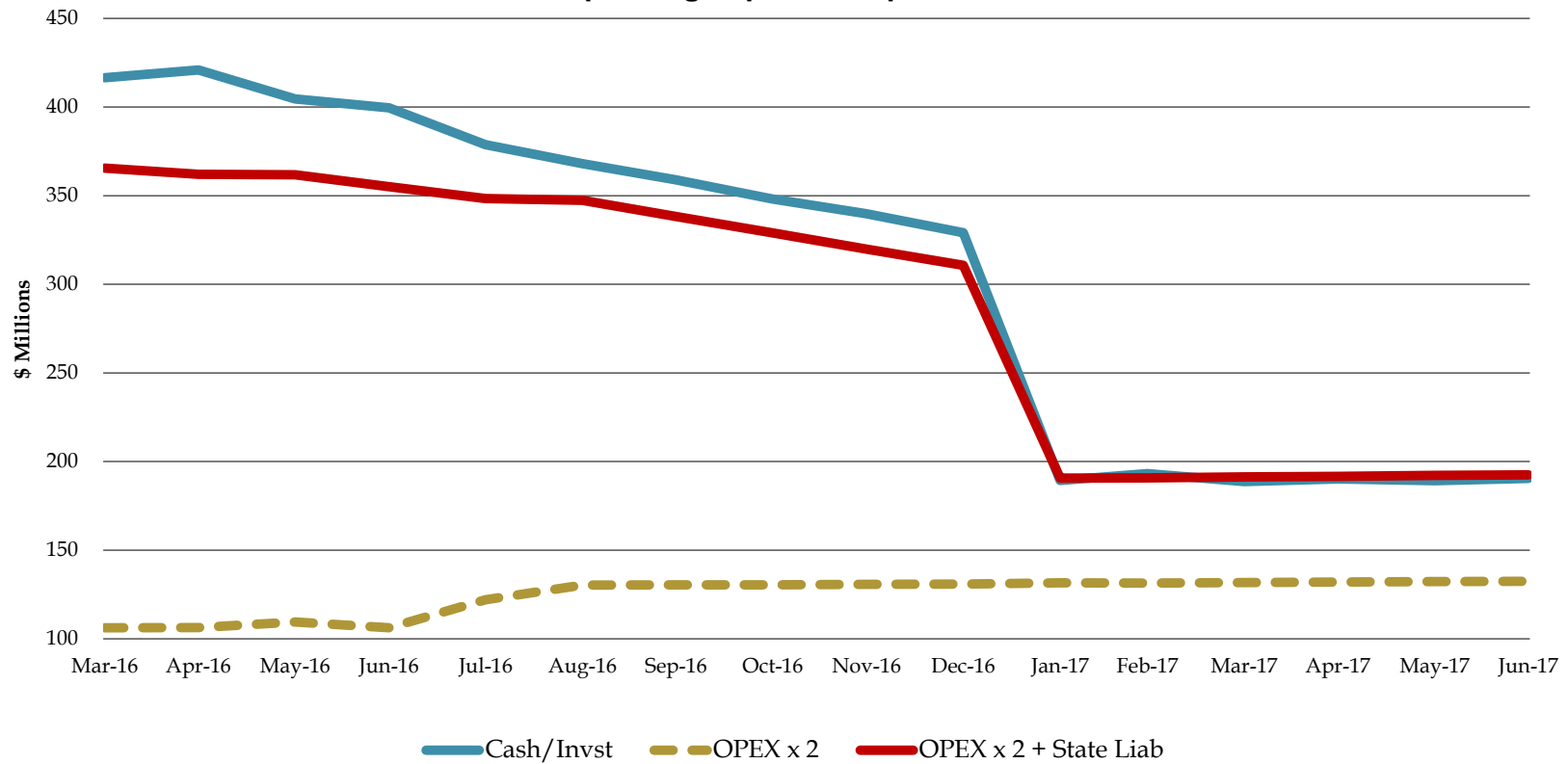
FINANCIAL PERFORMANCE DASHBOARD FOR MONTH ENDING May 31, 2016



Note: 11+1 indicates 11 months of actual results followed by 1 months of forecasts

GOLD COAST HEALTH PLAN MAY 2016

Cash & Operating Expense Requirements





For the month ended May 31, 2016

APPENDIX

- Statement of Financial Positions
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STATEMENT OF FINANCIAL POSITION

	05/31/16	04/30/16	03/31/16
ASSETS			
Current Assets:			
Total Cash and Cash Equivalents	\$ 170,828,399	\$ 187,241,603	\$ 183,075,433
Total Short-Term Investments	233,781,109	233,687,190	233,529,909
Medi-Cal Receivable	61,064,913	62,553,746	64,292,235
Interest Receivable	486,448	427,102	461,810
Provider Receivable	4,790,353	256,964	305,404
Other Receivables	0	171,605	171,958
Total Accounts Receivable	66,341,714	63,409,417	65,231,408
Total Prepaid Accounts	762,586	971,983	1,152,318
Total Other Current Assets	133,545	133,545	133,545
Total Current Assets	471,847,353	485,443,739	483,122,613
Total Fixed Assets	2,233,289	2,070,160	1,329,168
Total Long-Term Investments	19,376,673	19,397,763	19,418,836
Total Assets	\$ 493,457,316	\$ 506,911,662	\$ 503,870,618
LIABILITIES & NET ASSETS			
Current Liabilities:			
Incurring But Not Reported	\$ 63,065,200	\$ 64,894,380	\$ 61,218,949
Claims Payable	6,840,902	10,139,605	10,265,571
Capitation Payable	48,333,685	44,150,454	40,034,217
Physician ACA 1202 Payable	9,107,963	9,528,709	9,600,012
AB 85 Payable	0	1,887,116	1,858,433
Accounts Payable	2,933,232	3,236,898	511,934
Accrued ACS	1,663,748	1,648,834	1,636,075
Accrued Expenses	84,424,139	98,197,894	107,437,725
Accrued Premium Tax	4,488,781	3,298,700	4,656,097
Accrued Interest Payable	0	0	0
Current Portion of Deferred Revenue	38,333	76,667	115,000
Accrued Payroll Expense	1,210,142	1,103,838	1,005,125
Total Current Liabilities	222,106,125	238,163,094	238,339,138
Long-Term Liabilities:			
DHCS - Reserve for Capitation Recoup	135,544,946	133,444,946	131,694,946
Other Long-term Liability-Deferred Rent	783,246	759,286	735,327
Notes Payable	0	0	0
Total Long-Term Liabilities	136,328,192	134,204,232	132,430,273
Total Liabilities	358,434,316	372,367,326	370,769,411
Net Assets:			
Beginning Net Assets	99,945,264	99,945,264	99,945,264
Total Increase / (Decrease in Unrestricted Net	35,077,735	34,599,072	33,155,943
Total Net Assets	135,022,999	134,544,336	133,101,207
Total Liabilities & Net Assets	\$ 493,457,316	\$ 506,911,662	\$ 503,870,618

FINANCIAL INDICATORS			
Current Ratio	2.12 : 1	2.04 : 1	2.03 : 1
Days Cash on Hand	214	218	196
Days Cash + State Capitation Rec	246	250	226
Days Cash + State Capitation Rec (less Tax Li	244	248	224

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR ELEVEN MONTHS ENDING MAY 31, 2015**

	May 2016 Year-To-Date		Variance Fav / (Unfav)
	Actual	Budget	
Membership (includes retro members)	2,204,603	2,157,079	47,524
Revenue			
Premium	\$ 659,164,086	\$ 642,181,672	\$ 16,982,414
Reserve for Rate Reduction	(21,175,000)	(32,277,119)	11,102,119
MCO Premium Tax	(24,589,445)	(24,014,992)	(574,453)
Total Net Premium	613,399,641	585,889,561	27,510,080
Other Revenue:			
Miscellaneous Income	723,508	421,666	301,842
Total Other Revenue	723,508	421,666	301,842
Total Revenue	614,123,149	586,311,227	27,811,922
Medical Expenses:			
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	92,907,575	64,706,587	(28,200,988)
<u>FFS Claims Expenses:</u>			
Inpatient	100,496,940	110,668,387	10,171,447
LTC / SNF	98,360,282	100,491,622	2,131,340
Outpatient	40,466,246	35,629,684	(4,836,562)
Laboratory and Radiology	3,329,943	2,514,650	(815,293)
Emergency Room	17,763,172	14,498,476	(3,264,696)
Physician Specialty	42,691,875	46,833,160	4,141,285
Primary Care Physician	13,356,876	14,702,940	1,346,064
Home & Community Based Services	13,731,775	13,758,294	26,519
Applied Behavior Analysis Services	923,452	1,473,350	549,898
Mental Health Services	4,069,694	4,977,931	908,237
Pharmacy	90,467,288	85,372,010	(5,095,278)
Provider Reserve	0	6,390,078	6,390,078
Other Medical Professional	2,198,453	2,319,420	120,967
Other Medical Care	1,032	0	(1,032)
Other Fee For Service	6,679,032	6,693,867	14,835
Transportation	1,336,679	1,601,695	265,016
Total Claims	435,868,927	447,925,564	12,056,637
Medical & Care Management Expense	14,427,246	19,585,726	5,158,480
Reinsurance	2,352,927	3,107,656	754,729
Claims Recoveries	(1,822,066)	0	1,822,066
Sub-total	14,958,106	22,693,382	7,735,276
Total Cost of Health Care	543,734,608	535,325,533	(8,409,076)
Contribution Margin	70,388,541	50,985,694	19,402,847
General & Administrative Expenses:			
Salaries and Wages	8,525,455	9,707,288	1,181,833
Payroll Taxes and Benefits	2,261,085	2,940,980	679,895
Travel and Training	238,704	542,811	304,107
Outside Service - ACS	17,682,673	16,676,178	(1,006,495)
Outside Services - Other	1,691,441	2,001,363	309,922
Accounting & Actuarial Services	237,093	247,000	9,908
Legal	1,470,324	962,500	(507,824)
Insurance	357,818	298,848	(58,970)
Lease Expense - Office	904,107	956,340	52,233
Consulting Services	950,949	1,492,477	541,528
Advertising and Promotion	78,856	83,486	4,630
General Office	1,596,419	2,483,169	886,750
Depreciation & Amortization	258,833	417,934	159,101
Printing	66,726	166,620	99,894
Shipping & Postage	94,737	291,309	196,572
Interest	377,817	238,750	(139,067)
ARCH/Community Grants	110,000	0	(110,000)
Total G & A Expenses	36,903,037	39,507,053	2,604,016
Total Operating Gain / (Loss)	\$ 33,485,504	\$ 11,478,641	\$ 22,006,863
Non Operating			
Revenues - Interest	1,626,107	1,100,000	526,107
Expenses - Interest	33,876	17,153	(16,723)
Total Non-Operating	1,592,232	1,082,847	509,385
Total Increase / (Decrease) in Unrestricted Net Assets	\$ 35,077,735	\$ 12,561,488	\$ 22,516,247
Net Assets, Beginning of Year	99,945,264		
Net Assets, End of Year	135,022,999		

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	FY 2015-16 Monthly Trend			Current Month		
	FEB 16	MAR 16	APR 16	MAY 2016		Variance
				Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	203,981	205,206	205,530	206,495	201,862	4,633
Revenue:						
Premium	\$ 60,531,080	\$ 61,560,475	\$ 61,368,425	\$ 62,191,840	\$ 58,959,178	\$ 3,232,662
Reserve for Rate Reduction	(2,110,000)	3,800,000	(1,750,000)	(2,100,000)	(1,653,249)	(446,751)
MCO Premium Tax	(2,383,411)	(2,423,944)	(375,856)	(3,124,187)	(2,256,421)	(867,766)
Total Net Premium	56,037,668	62,936,531	59,242,569	56,967,654	55,049,508	1,918,146
Other Revenue:						
Miscellaneous Income	38,333	38,333	38,333	38,333	38,333	(0)
Total Other Revenue	38,333	38,333	38,333	38,333	38,333	(0)
Total Revenue	56,076,002	62,974,864	59,280,903	57,005,987	55,087,841	1,918,145
Medical Expenses:						
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	9,085,138	8,798,713	8,910,531	9,097,311	5,714,116	(3,383,195)
<u>FFS Claims Expenses:</u>						
Inpatient	7,392,640	12,503,077	10,955,509	8,925,561	10,605,768	1,680,207
LTC / SNF	7,895,479	10,257,828	9,453,929	9,470,377	9,325,378	(144,999)
Outpatient	3,379,287	4,852,606	3,309,821	3,529,950	3,387,362	(142,588)
Laboratory and Radiology	278,498	197,693	251,864	204,947	240,570	35,623
Emergency Room	1,672,260	2,487,940	1,867,611	1,875,789	1,373,642	(502,147)
Physician Specialty	4,054,445	5,109,877	4,469,065	4,928,264	4,473,129	(455,135)
Primary Care Physician	1,110,036	2,054,272	1,351,441	1,080,895	1,384,930	304,035
Home & Community Based Services	1,158,925	1,323,347	1,432,175	1,371,387	1,276,981	(94,406)
Applied Behavior Analysis Services	58,589	200,187	109,735	164,519	163,204	(1,315)
Mental Health Services	298,271	434,177	387,574	342,867	471,016	128,149
Pharmacy	8,431,109	9,377,773	8,840,622	9,346,520	8,117,809	(1,228,711)
Provider Reserve	0	0	0	0	602,305	602,305
Other Medical Professional	165,970	292,238	249,687	287,442	220,869	(66,573)
Other Medical Care	293	0	0	0	0	0
Other Fee For Service	599,049	655,014	678,196	689,885	629,346	(60,539)
Transportation	114,225	152,782	104,234	131,080	152,391	21,311
Total Claims	36,609,076	49,898,811	43,461,462	42,349,482	42,424,700	75,218
Medical & Care Management Expense	1,185,612	1,344,784	1,301,636	1,287,168	1,882,209	595,041
Reinsurance	291,461	291,220	292,601	293,872	299,666	5,793
Claims Recoveries	(274,027)	(78,857)	(40,201)	(145,898)	0	145,898
Sub-total	1,203,046	1,557,148	1,554,036	1,435,143	2,181,875	746,732
Total Cost of Health Care	46,897,260	60,254,672	53,926,029	52,881,936	50,320,691	(2,561,246)
Contribution Margin	9,178,742	2,720,192	5,354,874	4,124,051	4,767,150	(643,100)
General & Administrative Expenses:						
Salaries and Wages	740,575	866,810	767,490	974,047	941,603	(32,444)
Payroll Taxes and Benefits	217,016	221,933	221,391	220,221	293,341	73,120
Travel and Training	40,568	35,035	20,844	32,400	34,824	2,424
Outside Service - ACS	1,613,004	1,637,111	1,670,227	1,674,839	1,559,245	(115,594)
Outside Services - Other	183,036	173,053	175,025	178,731	182,702	3,971
Accounting & Actuarial Services	6,895	18,300	24,060	19,420	25,000	5,580
Legal	130,846	183,477	541,187	188,061	87,500	(100,561)
Insurance	32,588	32,588	32,177	32,177	27,168	(5,009)
Lease Expense - Office	110,467	110,467	110,467	110,467	86,940	(23,527)
Consulting Services	82,510	38,009	261,268	43,870	154,644	110,774
Advertising and Promotion	3,803	2,849	2,956	18,328	18,240	(88)
General Office	131,842	160,291	159,493	150,139	178,051	27,912
Depreciation & Amortization	21,153	21,153	32,100	39,598	47,069	7,471
Printing	376	19,515	11,514	2,076	3,445	1,369
Shipping & Postage	108	3,610	22,178	69	160,054	159,985
Interest	9,282	98,188	36,253	31,120	22,279	(8,841)
ARCH/Community Grants	0	0	0	110,000	0	(110,000)
Total G & A Expenses	3,324,069	3,622,389	4,088,628	3,825,562	3,822,105	(3,457)
Total Operating Gain / (Loss)	5,854,672	(902,197)	1,266,246	298,489	945,045	(646,557)
Non Operating:						
Revenues - Interest	153,877	169,594	176,883	180,175	100,000	80,175
Expenses - Interest	3,588	5,092	0	0	38	38
Total Non-Operating	150,288	164,501	176,883	180,175	99,962	80,213
Total Increase / (Decrease) in Unrestricted Net Assets	6,004,961	(737,696)	1,443,129	478,664	1,045,007	(566,344)
Full Time Employees				182	204	22

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

	FEB 16	MAR 16	APR 16	MAY 2016		Variance
				Actual	Budget	Fav / (Unfav)
Membership (includes retro members)	203,981	205,206	205,530	206,495	201,862	4,633
Revenue:						
Premium	296.75	299.99	298.59	301.18	292.08	9.10
Reserve for Rate Reduction	(10.34)	18.52	(8.51)	(10.17)	(8.19)	(1.98)
MCO Premium Tax	(11.68)	(11.81)	(1.83)	(15.13)	(11.18)	(3.95)
Total Net Premium	274.72	306.70	288.24	275.88	272.71	3.17
Other Revenue:						
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.19	0.19	0.19	0.19	0.19	(0.00)
Total Other Revenue	0.19	0.19	0.19	0.19	0.19	(0.00)
Total Revenue	274.91	306.89	288.43	276.06	272.90	3.17
Medical Expenses:						
<u>Capitation (PCP, Specialty, Kaiser, NEMT & Vision)</u>	44.54	42.88	43.35	44.06	28.31	(15.75)
<u>FFS Claims Expenses:</u>						
Inpatient	36.24	60.93	53.30	43.22	52.54	9.32
LTC / SNF	38.71	49.99	46.00	45.86	46.20	0.33
Outpatient	16.57	23.65	16.10	17.09	16.78	(0.31)
Laboratory and Radiology	1.37	0.96	1.23	0.99	1.19	0.20
Emergency Room	8.20	12.12	9.09	9.08	6.80	(2.28)
Physician Specialty	19.88	24.90	21.74	23.87	22.16	(1.71)
Primary Care Physician	5.44	10.01	6.58	5.23	6.86	1.63
Home & Community Based Services	5.68	6.45	6.97	6.64	6.33	(0.32)
Applied Behavior Analysis Services	0.29	0.98	0.53	0.80	0.81	0.01
Mental Health Services	1.46	2.12	1.89	1.66	2.33	0.67
Pharmacy	41.33	45.70	43.01	45.26	40.21	(5.05)
Provider Reserve	0.00	0.00	0.00	0.00	2.98	2.98
Other Medical Professional	0.81	1.42	1.21	1.39	1.09	(0.30)
Other Medical Care	0.00	0.00	0.00	0.00	0.00	0.00
Other Fee For Service	2.94	3.19	3.30	3.34	3.12	(0.22)
Transportation	0.56	0.74	0.51	0.63	0.75	0.12
Total Claims	179.47	243.16	211.46	205.09	210.17	5.08
Medical & Care Management Expense	5.81	6.55	6.33	6.23	9.32	3.09
Reinsurance	1.43	1.42	1.42	1.42	1.48	0.06
Claims Recoveries	(1.34)	(0.38)	(0.20)	(0.71)	0.00	0.71
Sub-total	5.90	7.59	7.56	6.95	10.81	3.86
Total Cost of Health Care	229.91	293.63	262.38	256.09	249.28	(6.81)
Contribution Margin	45.00	13.26	26.05	19.97	23.62	(3.64)
General & Administrative Expenses:						
Salaries and Wages	3.63	4.22	3.73	4.72	4.66	(0.05)
Payroll Taxes and Benefits	1.06	1.08	1.08	1.07	1.45	0.39
Travel and Training	0.20	0.17	0.10	0.16	0.17	0.02
Outside Service - ACS	7.91	7.98	8.13	8.11	7.72	(0.39)
Outside Services - Other	0.90	0.84	0.85	0.87	0.91	0.04
Accounting & Actuarial Services	0.03	0.09	0.12	0.09	0.12	0.03
Legal	0.64	0.89	2.63	0.91	0.43	(0.48)
Insurance	0.16	0.16	0.16	0.16	0.13	(0.02)
Lease Expense - Office	0.54	0.54	0.54	0.53	0.43	(0.10)
Consulting Services	0.40	0.19	1.27	0.21	0.77	0.55
Advertising and Promotion	0.02	0.01	0.01	0.09	0.09	0.00
General Office	0.65	0.78	0.78	0.73	0.88	0.15
Depreciation & Amortization	0.10	0.10	0.16	0.19	0.23	0.04
Printing	0.00	0.10	0.06	0.01	0.02	0.01
Shipping & Postage	0.00	0.02	0.11	0.00	0.79	0.79
Interest	0.05	0.48	0.18	0.15	0.11	(0.04)
ARCH/Community Grants	0.00	0.00	0.00	0.53	0.00	(0.53)
Total G & A Expenses	16.30	17.65	19.89	18.53	18.93	0.41
Total Operating Gain / (Loss)	28.70	(4.40)	6.16	1.45	4.68	(3.24)
Non Operating:						
Revenues - Interest	0.75	0.83	0.86	0.87	0.50	0.38
Expenses - Interest	0.02	0.02	0.00	0.00	0.00	0.00
Total Non-Operating	0.74	0.80	0.86	0.87	0.50	0.38
Total Increase / (Decrease) in Unrestricted Net Assets	29.44	(3.59)	7.02	2.32	5.18	(2.86)

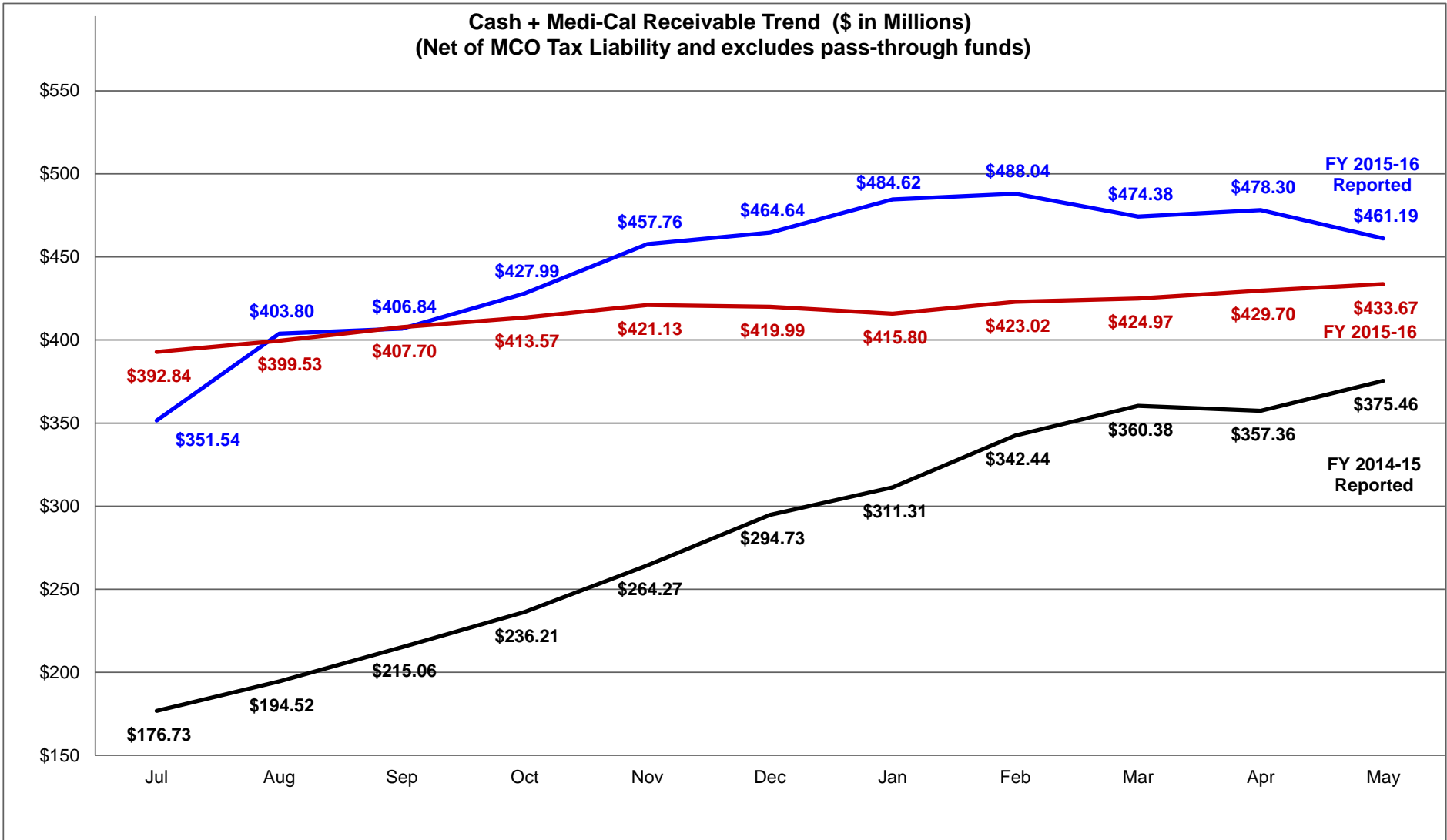
STATEMENT OF CASH FLOWS - FYTD

	MAY 16
Cash Flow From Operating Activities	
Collected Premium	\$ 772,810,267
Miscellaneous Income	1,206,044
State Pass Through Funds	64,203,583
<u>Paid Claims</u>	
Medical & Hospital Expenses	(356,959,139)
Pharmacy	(89,409,673)
Capitation	(82,469,368)
Reinsurance of Claims	(3,133,055)
State Pass Through Funds Distributed	(46,553,533)
Paid Administration	(43,498,671)
MCO Taxes Received / (Paid)	(30,822,448)
Net Cash Provided / (Used) by Operating Activities	185,374,009
Cash Flow From Investing / Financing Activities	
Net Acquisition / Proceeds from Investments	(63,420,063)
Net Discount / Premium Amortization of Investments	420,063
Repayment of Line of Credit	(7,200,000)
Net Acquisition of Property / Equipment	(1,563,752)
Net Cash Provided / (Used) by Investing / Financing	(71,763,752)
Net Cash Flow	\$ 113,610,257
Cash and Cash Equivalents (Beg. of Period)	57,218,141
Cash and Cash Equivalents (End of Period)	170,828,399
	\$ 113,610,257
Adjustment to Reconcile Net Income to Net Cash Flow	
Net Income / (Loss)	35,077,735
Depreciation & Amortization	414,576
Net Discount / Premium Amortization of Investments	(420,063)
Decrease / (Increase) in Receivables	65,208,382
Decrease / (Increase) in Prepaids & Other Current Assets	(47,599)
(Decrease) / Increase in Payables	72,153,165
(Decrease) / Increase in Other Liabilities	(5,513,504)
Changes in Withhold / Risk Incentive Pool	-
Change in MCO Tax Liability	847,208
Loss on asset disposal	-
Changes in Claims and Capitation Payable	6,961,055
Changes in IBNR	10,693,053
	185,374,009
Net Cash Flow from Operating Activities	\$ 185,374,009

STATEMENT OF CASH FLOWS - MONTHLY

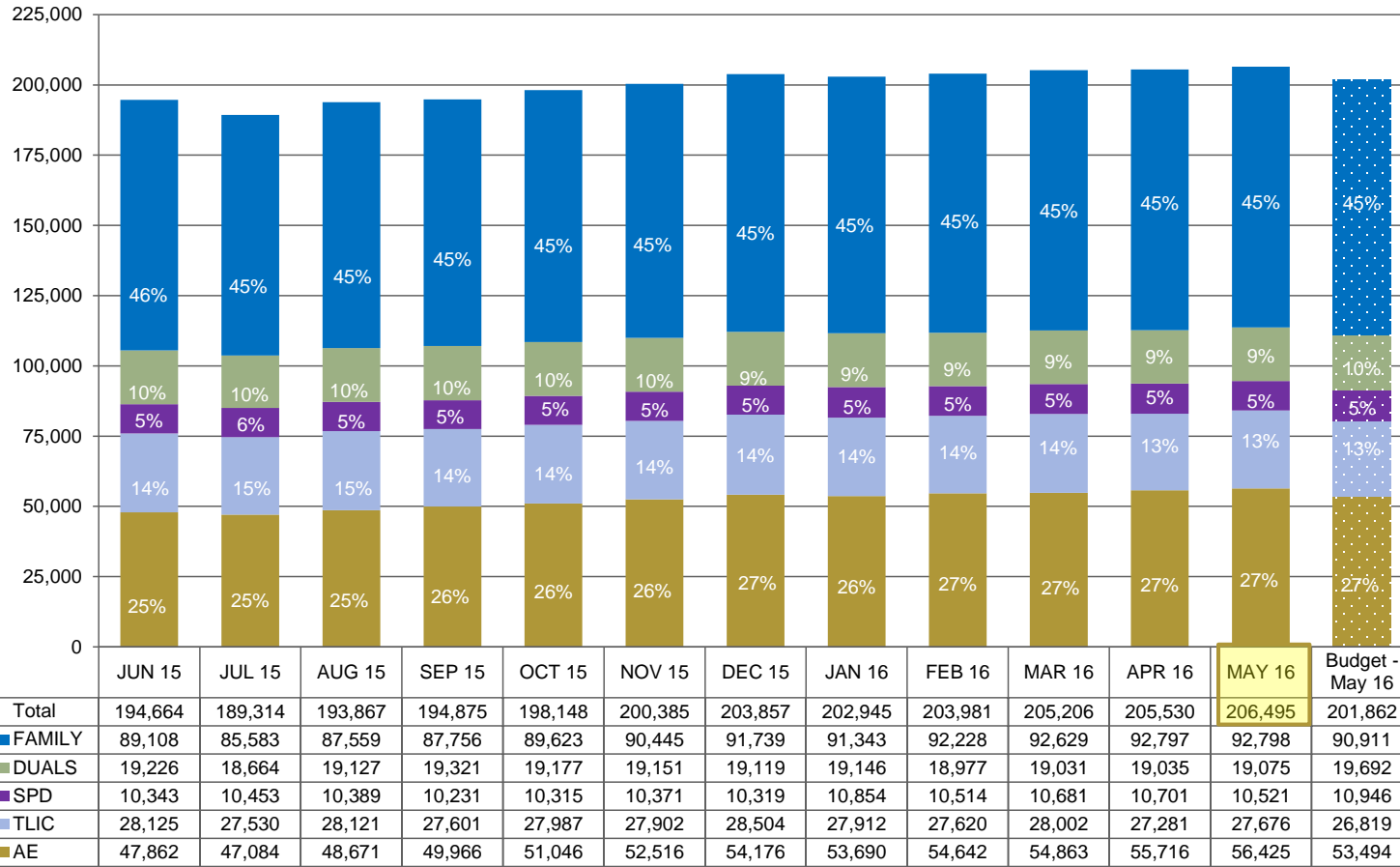
	MAY 16	APR 16	MAR 16
Cash Flow From Operating Activities			
Collected Premium	\$ 52,454,183	\$ 53,868,144	\$ 52,127,297
Miscellaneous Income	107,346	40,676	123,759
State Pass Through Funds	1,964,539	2,165,793	7,185,818
<u>Paid Claims</u>			
Medical & Hospital Expenses	(41,959,956)	(31,179,213)	(42,463,530)
Pharmacy	(5,040,324)	(9,268,697)	(9,348,750)
Capitation	(5,136,940)	(4,794,294)	(5,094,359)
Reinsurance of Claims	(293,872)	(292,601)	(291,220)
State Pass Through Funds Distributed	(11,194,602)	(1,858,433)	(1,850,953)
Paid Administration	(4,683,287)	(1,599,571)	(4,171,763)
MCO Tax Received / (Paid)	(2,413,406)	(2,128,383)	(2,051,653)
Net Cash Provided / (Used) by Operating Activities	(16,196,319)	4,953,421	(5,835,354)
Cash Flow From Investing / Financing Activities			
Net Acquisition / Proceeds from Investments	(72,829)	(136,207)	(8,045,835)
Net Discount / Premium Amortization of Investments	72,829	136,207	45,835
Repayment of Line of Credit	-	-	(7,200,000)
Net Acquisition of Property / Equipment	(216,885)	(787,250)	(122,990)
Net Cash Provided / (Used) by Investing / Financing	(216,885)	(787,250)	(15,322,990)
Net Cash Flow	\$ (16,413,204)	\$ 4,166,170	\$ (21,158,345)
Cash and Cash Equivalents (Beg. of Period)	187,241,603	183,075,433	204,233,778
Cash and Cash Equivalents (End of Period)	170,828,399	187,241,603	183,075,433
	\$ (16,413,204)	\$ 4,166,170	\$ (21,158,345)
Adjustment to Reconcile Net Income to Net Cash Flow			
Net (Loss) Income	478,664	1,443,129	(737,696)
Loss on asset disposal	-	-	-
Net Discount / Premium Amortization of Investments	(72,829)	(136,207)	(45,835)
Depreciation & Amortization	53,756	46,258	35,311
Decrease / (Increase) in Receivables	(2,932,297)	1,821,990	(166,566)
Decrease / (Increase) in Prepaids & Other Current As:	209,397	180,335	149,119
(Decrease) / Increase in Payables	(16,264,065)	(6,446,015)	(4,232,248)
(Decrease) / Increase in Other Liabilities	2,085,626	1,735,626	(3,812,429)
Changes in Withhold / Risk Incentive Pool	-	-	-
Change in MCO Tax Liability	1,190,081	(1,357,397)	764,959
Changes in Claims and Capitation Payable	884,528	3,990,271	(1,119,231)
Changes in IBNR	(1,829,180)	3,675,431	3,329,261
	(16,196,319)	4,953,421	(5,835,354)
Net Cash Flow from Operating Activities	(16,196,319)	4,953,421	(5,835,354)

**GOLD COAST HEALTH PLAN
MAY 2016**



GOLD COAST HEALTH PLAN

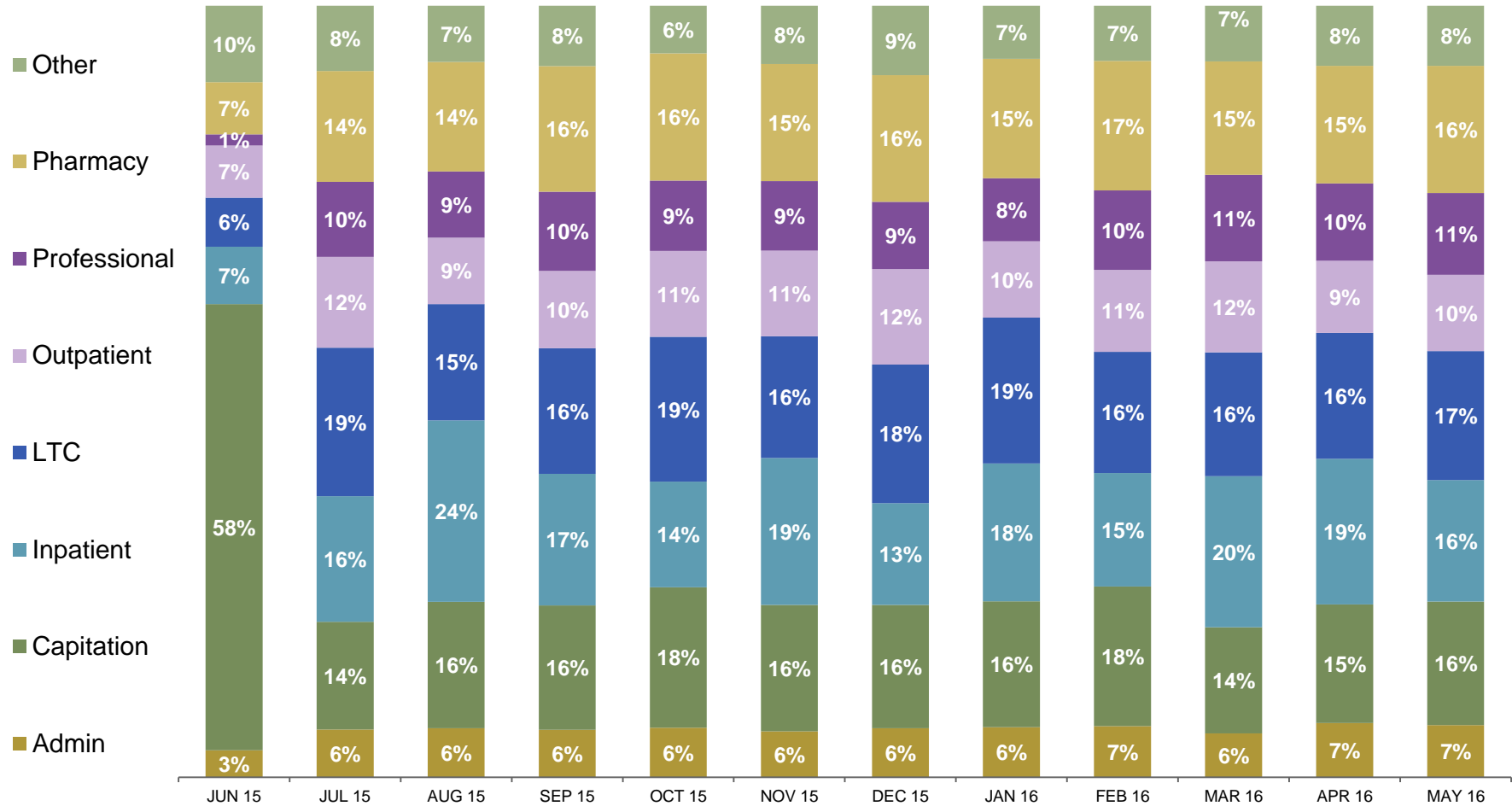
Membership - Rolling 12 Month



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

GOLD COAST HEALTH PLAN

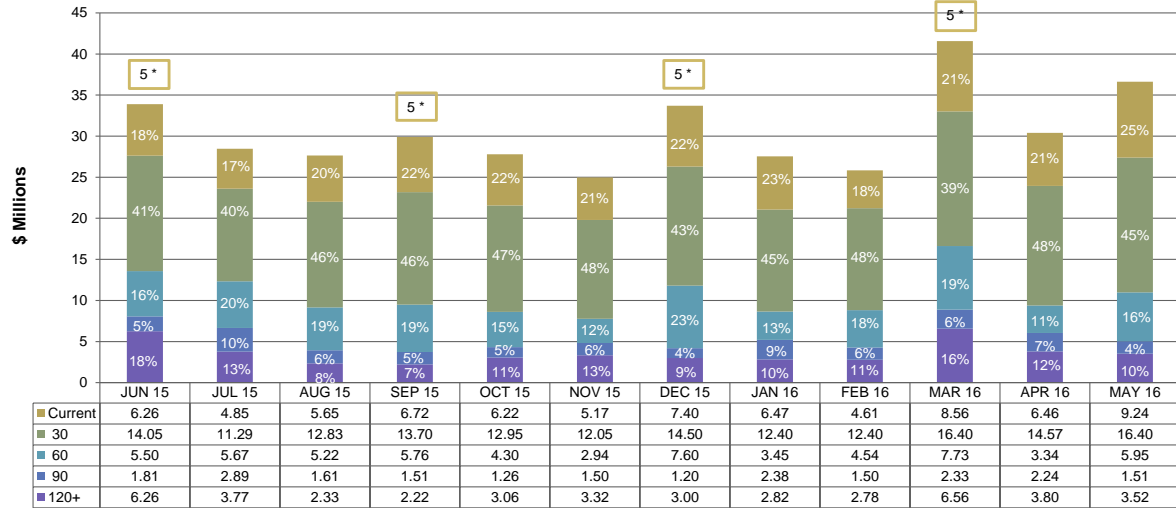
Total Expense Composition



Note: June 15 reflects the Enhanced Adult Capitation program and reclassification of fee-for-service expense to capitation expense.

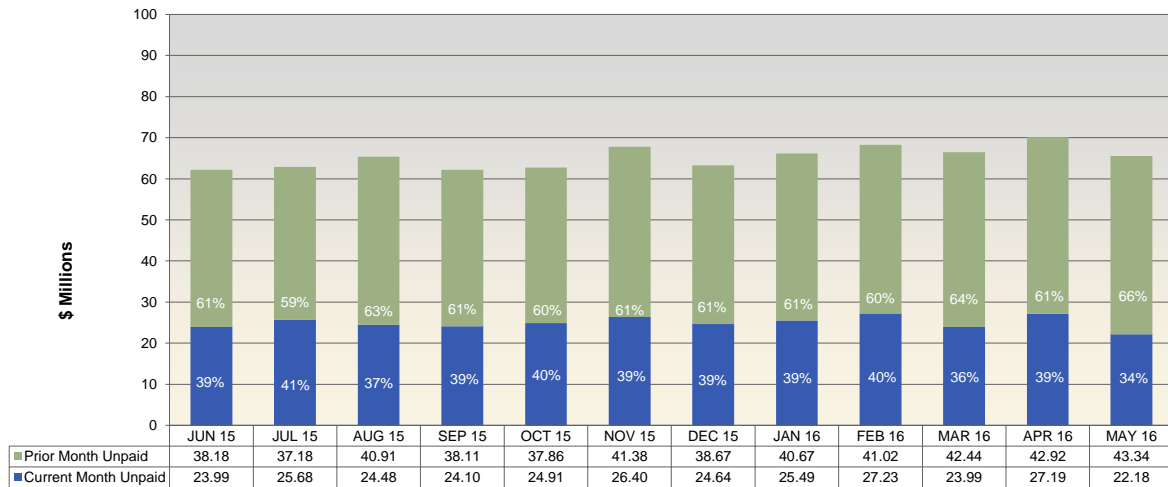
**GOLD COAST HEALTH PLAN
MAY 2016**

Paid Claims Composition (excluding Pharmacy and Capitation Payments)



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

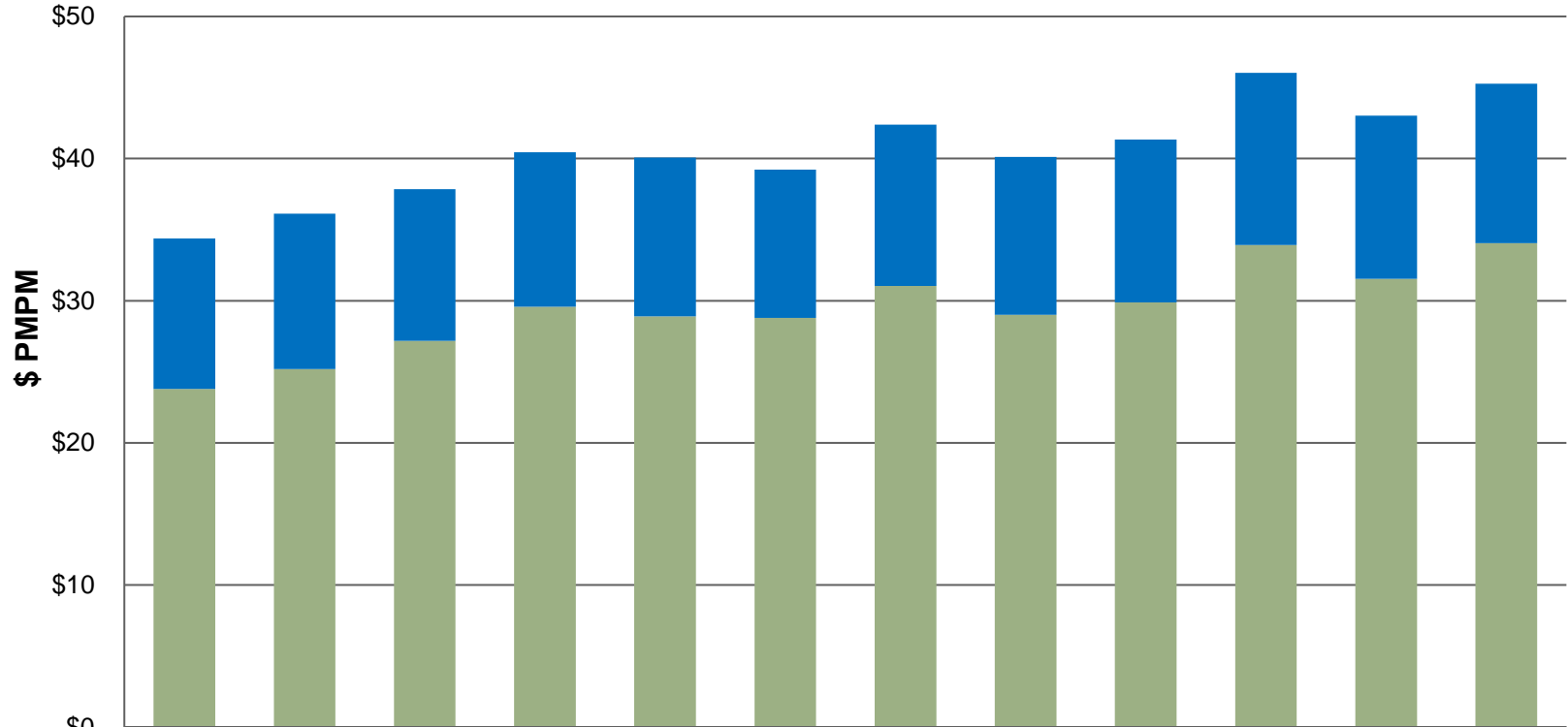
IBNP Composition (excluding Pharmacy and Capitation)



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

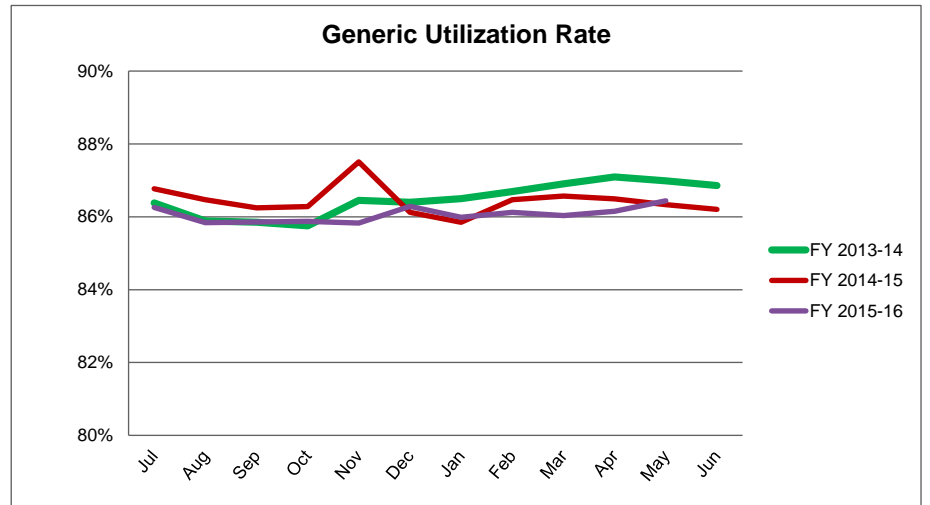
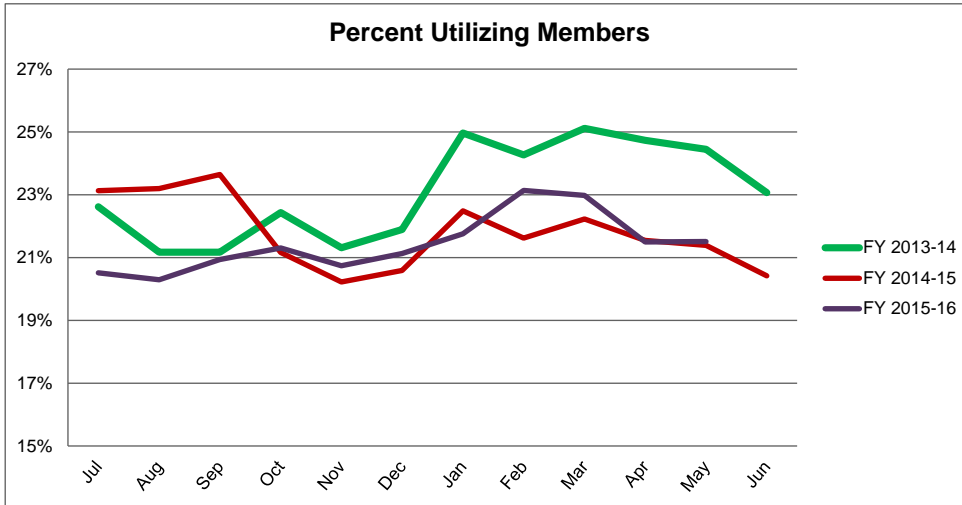
GOLD COAST HEALTH PLAN

Pharmacy Cost Trend

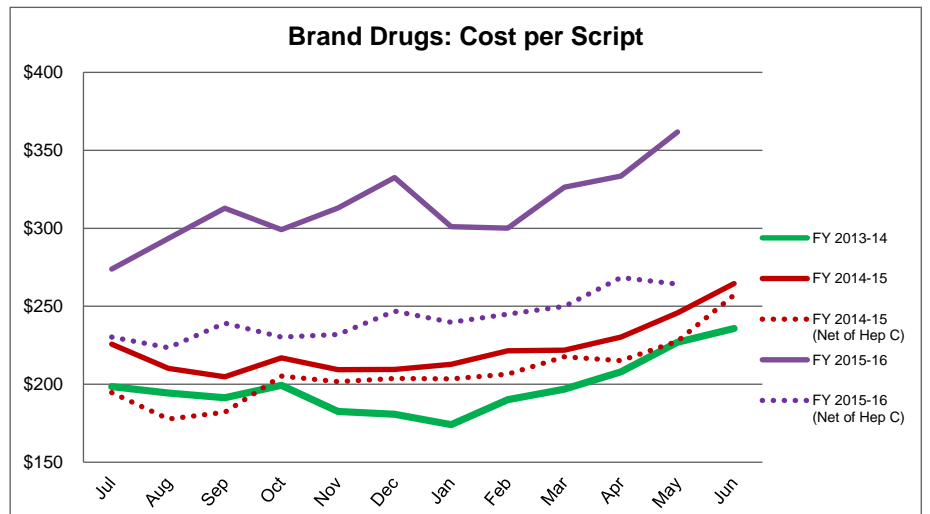
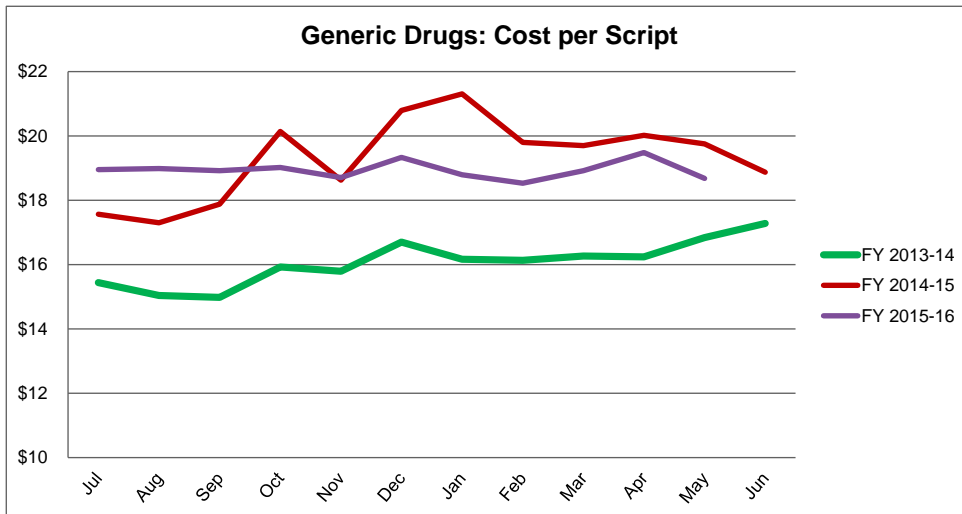


	JUN 15	JUL 15	AUG 15	SEP 15	OCT 15	NOV 15	DEC 15	JAN 16	FEB 16	MAR 16	APR 16	MAY 16
AVG PMPM	\$34.38	\$36.13	\$37.84	\$40.43	\$40.07	\$39.21	\$42.39	\$40.11	\$41.33	\$46.03	\$43.01	\$45.26
GENERIC	\$10.60	\$10.94	\$10.66	\$10.86	\$11.17	\$10.42	\$11.35	\$11.11	\$11.45	\$12.11	\$11.47	\$11.21
BRAND	\$23.78	\$25.19	\$27.18	\$29.58	\$28.90	\$28.79	\$31.04	\$29.00	\$29.88	\$33.92	\$31.55	\$34.06

**GOLD COAST HEALTH PLAN
PHARMACY ANALYSIS**



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





AGENDA ITEM NO. 3

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: Bob Bushey, Procurement Officer
DATE: July 7, 2016
SUBJECT: Procurement Overview

VERBAL PRESENTATION



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

GCHP Sourcing Process

Finance Committee Meeting
July 7, 2016

Integrity

Accountability

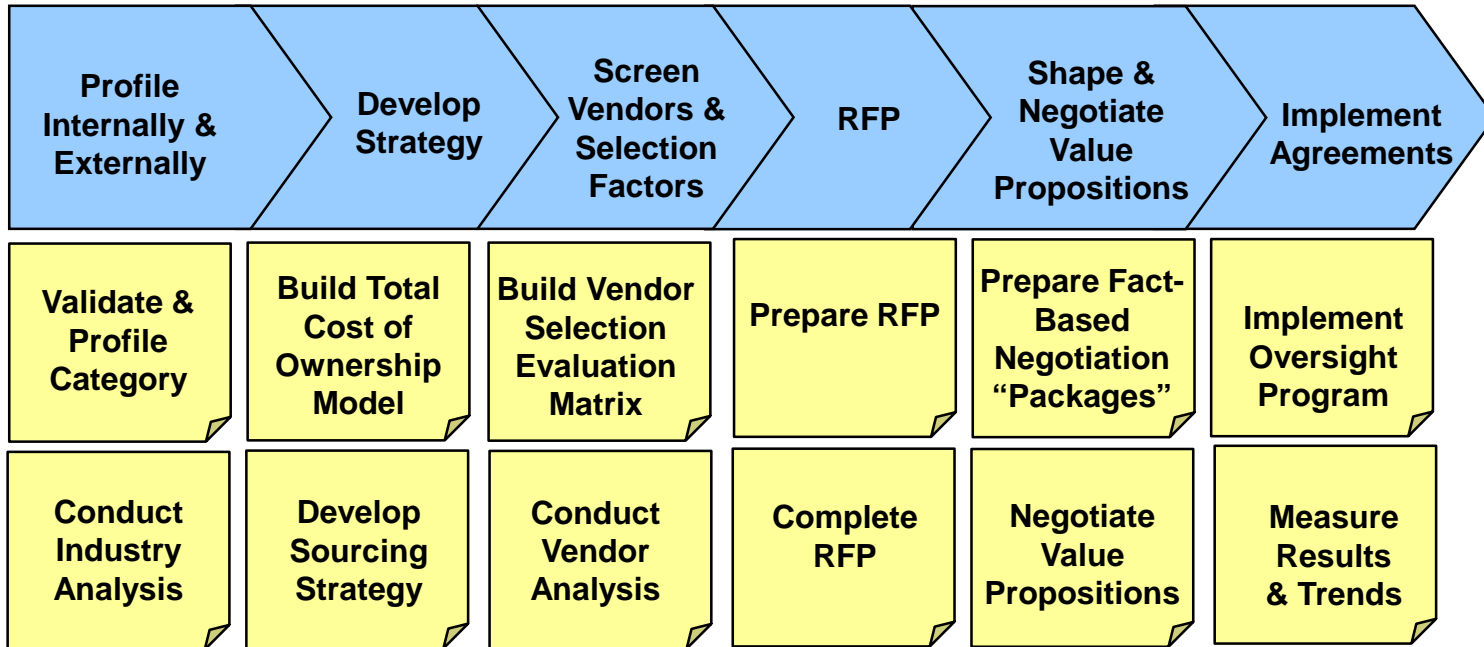
Collaboration

Trust

Respect

GCHP Sourcing Process

The sourcing process used by GCHP is a fact based approach that uses qualitative and quantitative factors to select vendors.





AGENDA ITEM NO. 4

TO: Gold Coast Health Plan Executive/Finance Committee
FROM: John Blakey, Moss Adams
DATE: July 7, 2016
SUBJECT: Audit Plan Update

VERBAL PRESENTATION